UNITED STATES STATUTES AT LARGE

CONTAINING THE

LAWS AND CONCURRENT RESOLUTIONS
ENACTED DURING THE SECOND SESSION OF THE
NINETY-FIFTH CONGRESS
OF THE UNITED STATES OF AMERICA

1978

AND

PROCLAMATIONS

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IN THREE PARTS

PART 2

PUBLIC LAWS 95–473 THROUGH 95–598

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95-285	*Lake Herbert G. West, memorial designation.* AN ACT To name the lake located behind Lower Monumental Lock and Dam, Washington, "Lake Herbert G. West"	May 25, 1978	277
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95-354	*Fishery Conservation and Management Act of 1976, amendments, appropriation authorization.* AN ACT To authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal year 1979, to provide for the regulation of foreign fish processing vessels in the fishery conservation zone, and for other purposes	Aug. 28, 1978	519
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95-373	*District of Columbia Appropriation Act, 1979.* AN ACT Making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1979, and for other purposes	Sept. 18, 1978	699

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95-375	*Pascua Yaqui Indians, Ariz., extension of Federal benefits.* AN ACT To provide for the extension of certain Federal benefits, services, and assistance to the Pascua Yaqui Indians of Arizona, and for other purposes	Sept. 18, 1978	712
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95-377	*Armed Forces, Air Force grade extension; certain provisions of law, suspension.* AN ACT To amend the Act of August 29, 1974 (88 Stat. 795; 10 U.S.C. 8202 note), relating to the authorized numbers for the grades of lieutenant colonel and colonel in the Air Force and to authorize the President to suspend certain provisions of law when he determines that the needs of the Armed Forces so require, and for other purposes	Sept. 19, 1978	719
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95-397	*Uniformed Services Survivors' Benefits Amendments of 1978.* AN ACT To amend title 10, United States Code, to make certain changes in the Retired Serviceman's Family Protection Plan and the Survivor Benefit Plan as authorized by chapter 73 of that title, and for other purposes	Sept. 30, 1978	843
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95-409	*Packers and Stockyards Act, 1921, amendments.* AN ACT To amend the Packers and Stockyards Act, 1921, and for other purposes	Oct. 2, 1978	886
95-410	*Customs Procedural Reform and Simplification Act of 1978.* AN ACT To provide customs procedural reform, and for other purposes	Oct. 3, 1978	888
95-411	*International Petroleum Exposition, Tulsa, Okla.* JOINT RESOLUTION Authorizing the President to invite the States of the Union and foreign nations to participate in the International Petroleum Exposition to be held at Tulsa, Oklahoma, from September 10, 1979, through September 13, 1979	Oct. 5, 1978	906
95-412	*Immigration and Nationality Act, amendment.* AN ACT To amend section 201(a), 202(c) and 203(a) of the Immigration and Nationality Act, as amended, and to establish a Select Commission on Immigration and Refugee Policy	Oct. 5, 1978	907
95-413	*Standing Bear Lake, Nebr., designation.* AN ACT To name a lake which has been completed as part of the Papillion Creek basin project as the "Standing Bear Lake"	Oct. 5, 1978	910
95-414	*Smithsonian Institution, Museum of African Art, transfer.* AN ACT To authorize the Smithsonian Institution to acquire the Museum of African Art, and for other purposes	Oct. 5, 1978	911
95-415	*New York City, financial assistance.* JOINT RESOLUTION Providing financial assistance for the city of New York	Oct. 5, 1978	914
95-416	*GSA, transferred records, relating to acceptance and use.* AN ACT To amend chapter 21 of title 44, United States Code, to include new provisions relating to the acceptance and use of records transferred to the custody of the Administrator of General Services	Oct. 5, 1978	915
95-417	*Immigration and Nationality Act, amendments.* AN ACT To amend the Immigration and Nationality Act to facilitate the admission into the United States of more than two adopted children, and to provide for the expeditious naturalization of adopted children	Oct. 5, 1978	917

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95-418	*E. C. "Took" Gathings Building, Ark., designation.* AN ACT To name a certain Federal building in Jonesboro, Arkansas, the "E. C. 'Took' Gathings Building"	Oct. 5, 1978	919
95-419	*Asian/Pacific American Heritage Week, designation authorization.* JOINT RESOLUTION Authorizing and requesting the President to proclaim the 7-day period beginning on May 4, 1979, as "Asian/Pacific American Heritage Week"	Oct. 5, 1978	920
95-420	*Sikes Act Amendments of 1978.* AN ACT To authorize appropriations to carry out conservation programs on military reservations and public lands during fiscal years 1979, 1980, and 1981	Oct. 5, 1978	921
95-421	*Amtrak Improvement Act of 1978.* AN ACT To amend the Rail Passenger Service Act to extend the authorizations of appropriations for an additional fiscal year, to provide for public consideration and implementation of a rail passenger service study, and for other purposes	Oct. 5, 1978	923
95-422	*Federal Fire Prevention and Control Act of 1974, amendments.* AN ACT To authorize appropriations for the Federal Fire Prevention and Control Act of 1974, and to change the name of the National Fire Prevention and Control Administration to the United States Fire Administration	Oct. 5, 1978	932
95-423	*Taxes, alcoholic beverages, excise tax refund.* AN ACT To amend section 5064 of the Internal Revenue Code of 1954 to provide for refund of tax on distilled spirits, wines, rectified products, and beer lost or rendered unmarketable due to fire, flood, casualty, or other disaster, or to breakage, destruction, or other damage (excluding theft) resulting from vandalism or malicious mischief while held for sale	Oct. 6, 1978	935
95-424	*International Development and Food Assistance Act of 1978.* AN ACT To amend the Foreign Assistance Act of 1961 to authorize development and economic assistance programs for fiscal year 1979, to make certain changes in the authorities of that Act and the Agricultural Trade Development and Assistance Act of 1954, to improve the coordination and administration of United States development-related policies and programs, and for other purposes	Oct. 6, 1978	937
95-425	*Securities and Exchange Commission, appropriation authorization.* AN ACT To amend the Securities Exchange Act of 1934 to authorize appropriations for the Securities and Exchange Commission for fiscal years 1979 and 1980, and for other purposes	Oct. 6, 1978	962
95-426	*Foreign Relations Authorization Act, Fiscal Year 1979.* AN ACT To authorize appropriations for fiscal year 1979 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, to make changes in the laws relating to those agencies, to make changes in the Foreign Service personnel system, to establish policies and responsibilities with respect to science, technology, and American diplomacy, and for other purposes	Oct. 7, 1978	963
95-427	*Taxes, regulations on taxation of fringe benefits, prohibition.* AN ACT To prohibit the issuance of regulations on the taxation of fringe benefits, and for other purposes	Oct. 7, 1978	996
95-428	*National sea grant program, appropriation authorization.* AN ACT To improve the operations of the national sea grant program, to authorize appropriations to carry out such program for fiscal years 1979 and 1980, and for other purposes	Oct. 7, 1978	999

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95–429	*Treasury, Postal Service, and General Government Appropriations Act, 1979.* AN ACT Making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1979, and for other purposes	Oct. 10, 1978	1001
95–430	*United States International Trade Commission, appropriation authorization.* AN ACT To provide authorization of appropriations for the United States International Trade Commission for fiscal year 1979.	Oct. 10, 1978	1020
95–431	*Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act, 1979.* AN ACT Making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1979, and for other purposes	Oct. 10, 1978	1021
95–432	*Immigration and Nationality Act, amendment.* AN ACT To repeal certain sections of title III of the Immigration and Nationality Act, and for other purposes	Oct. 10, 1978	1046
95–433	*Indians, judgment funds to certain Indian tribes.* AN ACT Relating to judgment funds awarded by the Indian Claims Commission to certain Indian tribes, and for other purposes	Oct. 10, 1978	1047
95–434	*National Science Foundation Authorization Act for Fiscal Year 1979.* AN ACT To authorize the appropriation of specified dollar amounts for each of the National Science Foundation's major program areas (and certain subprograms), and to provide requirements relating to periods of availability and transfers of the authorized funds	Oct. 10, 1978	1049
95–435	*Bretton Woods Agreements Act, amendments.* AN ACT To amend the Bretton Woods Agreements Act to authorize the United States to participate in the Supplementary Financing Facility of the International Monetary Fund	Oct. 10, 1978	1051
95–436	*Roman L. Hruska Meat Animal Research Center, Nebr., designation.* AN ACT To designate the Meat Animal Research Center located near Clay Center, Nebraska, as the "Roman L. Hruska Meat Animal Research Center"	Oct. 10, 1978	1054
95–437	*Federal Employees Part-Time Career Employment Act of 1978.* AN ACT To amend title 5, United States Code, to establish a program to increase part-time career employment within the civil service	Oct. 10, 1978	1055
95–438	*Lt. Gen. Ira C. Eaker, medal.* AN ACT To authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Lieutenant General Ira C. Eaker, United States Air Force (retired)	Oct. 10, 1978	1060
95–439	*Animal and plant quarantines, certain requirements repealed.* AN ACT To repeal certain requirements relating to notice of animal and plant quarantines, and for other purposes	Oct. 10, 1978	1061
95–440	*General Records Schedules to all Federal agencies, mandatory application.* AN ACT To amend sections 3303a and 1503 of title 44, United States Code, to require mandatory application of the General Records Schedules to all Federal agencies and to resolve conflicts between authorizations for disposal and to provide for the disposal of Federal Register documents	Oct. 10, 1978	1063
95–441	*Public lands relinquishment.* AN ACT To authorize the Secretary of Agriculture to relinquish exclusive legislative jurisdiction over lands or interests under his control	Oct. 10, 1978	1064

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95-442	*Gifts and property, acceptance and administration by Secretary of Agriculture.* AN ACT To authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the Department of Agriculture or any of its programs	Oct. 10, 1978	1065
95-443	*Farm credit loans, repayment, extension.* AN ACT To amend the Farm Credit Act of 1971 to extend the term for production credit association loans to producers or harvesters of aquatic products	Oct. 10, 1978	1066
95-444	*Civil Rights Commission Act of 1978.* AN ACT To extend the Commission on Civil Rights for five years, to authorize appropriations for the Commission, to effect certain technical changes to comply with changes in the law, and for other purposes	Oct. 10, 1978	1067
95-445	*Humane Methods of Slaughter Act of 1978.* AN ACT To amend the Federal Meat Inspection Act to require that meat inspected and approved under such Act be produced only from livestock slaughtered in accordance with humane methods, and for other purposes	Oct. 10, 1978	1069
95-446	*Carl Hayden Bee Research Center, Ariz., designation.* AN ACT To designate the United States Department of Agriculture's Bee Research Laboratory in Tucson, Arizona, as the "Carl Hayden Bee Research Center"	Oct. 10, 1978	1071
95-447	*Susan B. Anthony Dollar Coin Act of 1978.* AN ACT To amend the Coinage Act of 1965 to change the size, weight, and design of the one-dollar coin, and for other purposes	Oct. 10, 1978	1072
95-448	*Agriculture, rural development, and related agencies appropriations, fiscal year 1979.* AN ACT Making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1979, and for other purposes	Oct. 11, 1978	1073
95-449	*National Family Week, designation authorization.* JOINT RESOLUTION To authorize the President to issue a proclamation designating that week in November 1978, which includes Thanksgiving Day as "National Family Week"	Oct. 11, 1978	1094
95-450	*Indian Peaks Wilderness Area, the Arapaho National Recreation Area and the Oregon Islands Wilderness Area Act.* AN ACT To create the Indian Peaks Wilderness Area and the Arapaho National Recreation Area, to authorize the Secretary of the Interior to study the feasibility of revising the boundaries of the Rocky Mountain National Park, and to add certain lands to the Oregon Islands Wilderness	Oct. 11, 1978	1095
95-451	*W. R. "Bob" Poage Pecan Field Station, Tex., designation.* AN ACT To designate the United States Department of Agriculture's Pecan Field Station in Brownwood, Texas, as the "W. R. 'Bob' Poage Pecan Field Station"	Oct. 11, 1978	1100
95-452	*Inspector General Act of 1978.* AN ACT To reorganize the executive branch of the Government and increase its economy and efficiency by establishing Offices of Inspector General within the Departments of Agriculture, Commerce, Housing and Urban Development, the Interior, Labor, and Trasportation, and within the Community Services Administration, the Environmental Protection Agency, the General Services Administration, the National Aeronautics and Space Administration, the Small Business Administration, and the Veterans' Administration, and for other purposes	Oct. 12, 1978	1101

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95-453	*Indian Claims Commission, activities of Commissioners.* AN ACT To amend the Act creating the Indian Claims Commission to repeal the provision limiting the activities of Commissioners during the two years following their terms of office	Oct. 12, 1978	1110
95-454	*Civil Service Reform Act of 1978.* AN ACT To reform the civil service laws	Oct. 13, 1978	1111
95-455	*Great Lakes Pilotage Act of 1960, amendment.* AN ACT To amend the Great Lakes Pilotage Act of 1960 in order to relieve the restrictive qualification standards for United States registered pilots on the Great Lakes	Oct. 13, 1978	1228
95-456	*Southwestern Power Administration, rate discrimination, prohibition.* AN ACT To prohibit discrimination in rates charged by the Southwestern Power Administration	Oct. 13, 1978	1230
95-457	*Department of Defense Appropriation Act, 1979.* AN ACT Making appropriations for the Department of Defense for the fiscal year ending September 30, 1979, and for other purposes	Oct. 13, 1978	1231
95-458	*Internal Revenue Code of 1954, amendments.* AN ACT To amend the Internal Revenue Code of 1954 with respect to excise tax on certain trucks, buses, tractors, et cetera, home production of beer and wine, refunds of the taxes on gasoline and special fuels to aerial applicators, and partial rollovers of lump sum distributions	Oct. 14, 1978	1255
95-459	*Susanville Indian Rancheria, Calif., land in trust.* AN ACT To provide for the United States to hold in trust for the Susanville Indian Rancheria of Lassen County, California, approximately one hundred and twenty acres of land	Oct. 14, 1978	1262
95-460	*Agricultural Foreign Investment Disclosure Act of 1978.* AN ACT To require foreign persons who acquire, transfer, or hold interests in agricultural land to report such transactions and holdings to the Secretary of Agriculture and to direct the Secretary to analyze information contained in such reports and determine the effects such transactions and holdings have, particularly on family farms and rural communities, and for other purposes	Oct. 14, 1978	1263
95-461	*Drug Abuse Prevention and Treatment Amendments of 1978.* AN ACT To amend the Drug Abuse Office and Treatment Act of 1972 to extend the programs of assistance under that Act for drug abuse prevention, education, treatment, and rehabilitation, and for other purposes	Oct. 14, 1978	1268
95-462	*Historic Chattahoochee Compact, Alabama-Georgia, consent of Congress.* AN ACT Granting the consent of Congress to the Historic Chattahoochee Compact between the States of Alabama and Georgia	Oct. 14, 1978	1271
95-463	*Firefighters' Memorial Sunday, designation authorization.* JOINT RESOLUTION To designate October 7, 1979, the Sunday of "Fire Prevention Week" as "Firefighters' Memorial Sunday"; to designate October 14, 1978, as "National Jogging Day"; and to designate and authorize the President to proclaim, February 11, 1979, as "National Inventors' Day"	Oct. 14, 1978	1276
95-464	*Anadromous Fish Conservation Act, amendment.* AN ACT To amend the Anadromous Fish Conservation Act to include fish in Lake Champlain that ascend streams to spawn	Oct. 17, 1978	1278
95-465	*Department of the Interior and related agencies, appropriations, fiscal year 1979.* AN ACT Making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1979, and for other purposes	Oct. 17, 1978	1279

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95-466	*Jefferson F. Davis, citizenship restored posthumously.* JOINT RESOLUTION To restore posthumously full rights of citizenship to Jefferson F. Davis	Oct. 17, 1978	1304
95-467	*Water Research and Development Act of 1978.* AN ACT To promote a more adequate and responsive national program of water research and development, and for other purposes	Oct. 17, 1978	1305
95-468	*Henry R. Koen Forest Service Building, Ark.; designation.* AN ACT To designate the building known as the Ozark National Forest Headquarters Building in Russellville, Arkansas, as the "Henry R. Koen Forest Service Building"	Oct. 17, 1978	1318
95-469	*Refuge Revenue Sharing Act, amendment.* AN ACT To provide for payments to local governments based upon the acreage of the National Wildlife Refuge System which is within their boundaries, and for other purposes	Oct. 17, 1978	1319
95-470	*Congressional employees, contributions to charitable organizations.* AN ACT To authorize withholding from salaries disbursed by the Secretary of the Senate and from certain employees under the jurisdiction of the Architect of the Capitol for contribution to certain charitable organizations	Oct. 17, 1978	1323
95-471	*Tribally Controlled Community College Assistance Act of 1978.* AN ACT To provide for grants to tribally controlled community colleges, and for other purposes	Oct. 17, 1978	1325
95-472	*U.S. Tax Court, judges' retirement pay.* AN ACT To amend section 7447 of the Internal Revenue Code of 1954 with respect to the revocation of an election to receive retired pay as a judge of the Tax Court	Oct. 17, 1978	1332
95-473	*Interstate Commerce Act and related laws, enactment as title 49, Subtitle IV, U.S. Code.* AN ACT To revise, codify, and enact without substantive change the Interstate Commerce Act and related laws as subtitle IV of title 49, United States Code, "Transportation"	Oct. 17, 1978	1337
95-474	*Port and Tanker Safety Act of 1978.* AN ACT To amend the Ports and Waterways Safety Act of 1972, and for other purposes	Oct. 17, 1978	1471
95-475	*Intercoastal Shipping Act, 1933, amendment.* AN ACT To amend the Intercoastal Shipping Act, 1933, and for other purposes	Oct. 18, 1978	1494
95-476	*Veterans' Housing Benefits Act of 1978.* AN ACT To amend title 38, United States Code, to improve the housing benefits programs of the Veterans' Administration, to authorize the Administrator of Veterans' Affairs to pay an allowance to a State for expenses incurred in the burial of eligible veterans in cemeteries owned and operated by or for such State solely for the interment of veterans, to authorize a program of grant assistance to States for the establishment, expansion, and improvement of State veterans' cemeteries, and for other purposes	Oct. 18, 1978	1497
95-477	*Environmental Research Development, and Demonstration Authorization Act of 1979.* AN ACT To authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1979, and for other purposes	Oct. 18, 1978	1507
95-478	*Comprehensive Older Americans Act Amendments of 1978.* AN ACT To amend the Older Americans Act of 1965 to provide for improved programs for older persons, and for other purposes	Oct. 18, 1978	1513

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95-479	*Veterans' Disability Compensation and Survivors' Benefits Act of 1978.* AN ACT To amend title 38, United States Code, to provide increases in the rates of disability and dependency and indemnity compensation for disabled veterans and their survivors, to provide for the payment of benefits to surviving spouses and children of certain totally disabled service-connected disabled veterans, to increase the amounts paid for funeral and burial expenses of deceased veterans, and for other purposes	Oct. 18, 1978	1560
95-480	*Departments of Labor and Health, Education, and Welfare Appropriations Act, 1978.* AN ACT Making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1979, and for other purposes	Oct. 18, 1978	1567
95-481	*Foreign Assistance and Related Programs Appropriations Act, 1979.* AN ACT Making appropriations for Foreign Assistance and related programs for the fiscal year ending September 30, 1979, and for other purposes	Oct. 18, 1978	1591
95-482	*Continuing appropriations, Fiscal Year 1979.* JOINT RESOLUTION Making continuing appropriations for the fiscal year 1979, and for other purposes	Oct. 18, 1978	1603
95-483	*Ocean Shipping Act of 1978.* AN ACT To provide for the regulation of rates or charges by certain state-owned carriers in the foreign commerce of the United States, and for other purposes	Oct. 18, 1978	1607
95-484	*Fort Scott National Historic Site, Kans., establishment.* AN ACT To authorize establishment of the Fort Scott National Historic Site, Kansas, and for other purposes	Oct. 19, 1978	1610
95-485	*Department of Defense Appropriation Authorization Act, 1979.* AN ACT To authorize appropriations for fiscal year 1979 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes	Oct. 20, 1978	1611
95-486	*Federal district and circuit judges, additional appointments.* AN ACT To provide for the appointment of additional district and circuit judges, and for other purposes	Oct. 20, 1978	1629
95-487	*Indians, acquisition and retention of certain lands, Kake, Alaska.* AN ACT To provide means for the acquisition and retention of title to certain lands by the village corporation organized pursuant to the Alaska Native Claims Settlement Act for the Natives of the village of Kake, Alaska, and for other purposes	Oct. 20, 1978	1635
95-488	*Taxes, deductions for contributions to a black lung benefit trust.* AN ACT To amend the Internal Revenue Code of 1954 to insure that the deduction for contributions to a black lung benefit trust be allowed for any such contributions which are made for the purpose of satisfying unfunded future liability, and for other purposes	Oct. 20, 1978	1637
95-489	*Columbia Slough navigation project, Oreg., termination.* AN ACT To terminate the authorization of the navigation project on the Columbia Slough, Oregon	Oct. 20, 1978	1639

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95-490	*Hawaii, revenue or proceeds from disposition of certain lands, use.* AN ACT To permit the State of Hawaii to use the proceeds from the sale, lease, or other disposition of certain real property for any public purpose	Oct. 20, 1978	1640
95-491	*Federal Information Centers Act.* AN ACT To authorize the permanent establishment of a system of Federal information centers	Oct. 20, 1978	1641
95-492	*Girl Scouts of America, transportation services.* AN ACT To amend title 10, United States Code, to authorize the Secretary of Defense to provide transportation to the Girl Scouts of the United States of America in connection with International World Friendship Events or Troops on Foreign Soil meetings, and for other purposes	Oct. 20, 1978	1642
95-493	*United States Capitol Historical Society, incorporation.* AN ACT To incorporate the United States Capitol Historical Society	Oct. 20, 1978	1643
95-494	*Blackjack Springs Wilderness Area and Whiskey Lake Wilderness Area, Wisc., designation.* AN ACT To designate certain lands in the State of Wisconsin as wilderness	Oct. 21, 1978	1648
95-495	*Boundary Waters Canoe Area Wilderness, designation; Boundary Waters Canoe Area Mining Protection Area, establishment.* AN ACT To designate the Boundary Waters Canoe Area Wilderness, to establish the Boundary Waters Canoe Area Mining Protection Area, and for other purposes	Oct. 21, 1978	1649
95-496	*Indians, Osage Tribe, Okla.* AN ACT To amend certain laws relating to the Osage Tribe of Oklahoma, and for other purposes	Oct. 21, 1978	1660
95-497	*Taxes, New York public employees, retirement systems.* AN ACT Relating to the application of certain provisions of the Internal Revenue Code of 1954 to specified transactions by certain public employee retirement systems created by the State of New York or any of its political subdivisions	Oct. 21, 1978	1665
95-498	*Pueblo Indians of Santa Ana, N. Mex., lands in trust.* AN ACT To declare that the United States holds in trust for the Pueblo of Santa Ana certain public domain lands	Oct. 21, 1978	1672
95-499	*Pueblo Indians of Zia, N. Mex., lands in trust.* AN ACT To declare that the United States holds in trust for the Pueblo of Zia certain public domain lands	Oct. 21, 1978	1679
95-500	*Machine parts, duty suspension.* AN ACT To make specific provisions for ball or roller bearing pillow block, flange, take-up, cartridge, and hanger units in the Tariff Schedules of the United States, and for other purposes	Oct. 21, 1978	1683
95-501	*Agricultural Trade Act of 1978.* AN ACT To strengthen the economy of the United States through increased sales abroad of United States agricultural commodities	Oct. 21, 1978	1685
95-502	*Internal Revenue Code of 1954, amendment.* AN ACT To amend the Internal Revenue Code of 1954 to provide that income from the conducting of certain bingo games by certain tax-exempt organizations will not be subject to tax, and for other purposes	Oct. 21, 1978	1693
95-503	*Courts, transportation expenses.* AN ACT To amend chapter 315 of title 18, United States Code, to authorize payment of transportation expenses for persons released from custody pending their appearance to face criminal charges before that court, any division of that court, or any court of the United States in another Federal judicial district	Oct. 24, 1978	1704

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95-504	*Airline Deregulation Act of 1978.* AN ACT To amend the Federal Aviation Act of 1958, to encourage, develop, and attain an air transportation system which relies on competitive market forces to determine the quality, variety, and price of air services, and for other purposes	Oct. 24, 1978	1705
95-505	*Great Lakes vessels, financing.* AN ACT To amend title XI of the Merchant Marine Act, 1936, to permit the guarantee of obligations for financing Great Lakes vessels in an amount not exceeding 87½ per centum of the actual or depreciated actual cost of each vessel	Oct. 24, 1978	1755
95-506	*Federal Property and Administrative Services Act of 1949, amendment.* AN ACT To amend the Federal Property and Administrative Services Act of 1949 to permit the recovery of replacement cost of motor vehicles and other related equipment and supplies	Oct. 24, 1978	1756
95-507	*Small Business Act and the Small Business Investment Act of 1958, amendment.* AN ACT To amend the Small Business Act and the Small Business Investment Act of 1958	Oct. 24, 1978	1757
95-508	*Metal articles, duty suspension.* AN ACT To extend until the close of June 30, 1981, the existing suspension of duties on certain metal waste and scrap, unwrought metal, and other articles of metal, and for other purposes	Oct. 24, 1978	1774
95-509	*Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1979.* AN ACT To authorize appropriations for the Department of Energy for national security programs for fiscal year 1979, and for other purposes	Oct. 24, 1978	1775
95-510	*Small Business Act, amendment.* AN ACT To amend the Small Business Act by transferring thereto those provisions of the Domestic Volunteer Service Act of 1973 affecting the operation of volunteer programs to assist small business, to increase the maximum allowable compensation and travel expenses for experts and consultants, and for other purposes	Oct. 24, 1978	1780
95-511	*Foreign Intelligence Surveillance Act of 1978.* AN ACT To authorize electronic surveillance to obtain foreign intelligence information	Oct. 25, 1978	1783
95-512	*Comptroller General Annuity Adjustment Act of 1978.* AN ACT To provide for cost-of-living adjustments in the annuity of a retired Comptroller General, and for other purposes	Oct. 25, 1978	1799
95-513	*Vietnam Veterans Week, designation authorization.* JOINT RESOLUTION Authorizing and requesting the President to designate the seven-day period beginning on May 28, 1979, as "Vietnam Veterans Week"	Oct. 25, 1978	1802
95-514	*Public Rangelands Improvement Act of 1978.* AN ACT To improve the range conditions of the public rangelands	Oct. 25, 1978	1803
95-515	*Interstate Horseracing Act of 1978.* AN ACT To regulate interstate commerce with respect to parimutuel wagering on horseracing, to maintain the stability of the horseracing industry, and for other purposes	Oct. 25, 1978	1811
95-516	*Eastern Telephone Supply and Manufacturing, Inc., natural graphite, duty suspension.* AN ACT For the relief of Eastern Telephone Supply and Manufacturing, Incorporated, and other matters	Oct. 25, 1978	1816
95-517	*Naval paintings, return to Federal Republic of Germany.* AN ACT To authorize the Secretary of the Army to return to the Federal Republic of Germany ten paintings of the German Navy seized by the United States Army at the end of World War II	Oct. 25, 1978	1817

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95-518	*Gathright Dam and Lake Moomaw, Va.* AN ACT Designating Gathright Lake on the Jackson River, Virginia, as Gathright Dam and Lake Moomaw	Oct. 25, 1978	1818
95-519	*Federal employees, certain legislative and judicial officers, leave status.* AN ACT To clarify the status of certain legislative and judicial officers under the provisions of title 5, United States Code, relating to annual and sick leave, and for other purposes	Oct. 25, 1978	1819
95-520	*Veterans' Administration Programs Extension Act of 1978.* AN ACT To amend title 38, United States Code, to extend certain expiring programs of the Veterans' Administration, to extend and improve the program of veterans readjustment appointments in the Federal Government, and for other purposes	Oct. 26, 1978	1820
95-521	*Ethics in Government Act of 1978.* AN ACT To establish certain Federal agencies, effect certain reorganizations of the Federal Government, to implement certain reforms in the operation of the Federal Government and to preserve and promote the integrity of public officials and institutions, and for other purposes	Oct. 26, 1978	1824
95-522	*Frederick G. Payne Building, Maine, designation.* AN ACT To name the post office and Federal building in Portland, Maine, the "Frederick G. Payne Building".	Oct. 27, 1978	1886
95-523	*Full employment and Balanced Growth Act of 1978.* AN ACT To translate into practical reality the right of all Americans who are able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation; to assert the responsibility of the Federal Government to use all practicable programs and policies to promote full employment, production, and real income, balanced growth, adequate productivity growth, proper attention to national priorities, and reasonable price stability; to require the President each year to set forth explicit short-term and medium-term economic goals; to achieve a better integration of general and structural economic policies; and to improve the coordination of economic policymaking within the Federal Government	Oct. 27, 1978	1887
95-524	*Comprehensive Employment and Training Act Amendments of 1978.* AN ACT To amend the Comprehensive Employment and Training Act of 1973 to provide improved employment and training services, to extend the authorization, and for other purposes	Oct. 27, 1978	1909
95-525	*Charles A. Lindberg Federal Building, N.Y., designation.* AN ACT To designate the new Terminal Radar Approach Control Federal Building in Hempstead, Long Island, New York, as the "Charles A. Lindbergh Federal Building"	Oct. 27, 1978	2022
95-526	*District of Columbia Self-Government and Governmental Reorganization Act, amendment.* AN ACT To amend the District of Columbia Self-Government and Governmental Reorganization Act to repeal the authority of the President to sustain vetoes by the Mayor of the District of Columbia of acts passed by the Council of the District of Columbia and repassed by two-thirds of the Council, to change the period during which acts of the Council of the District of Columbia are subject to congressional review, and for other purposes	Oct. 27, 1978	2023
95-527	*William L. Springer Building, Ill., designation.* AN ACT To designate a certain Federal building in Champaign, Illinois, the "William L. Springer Building"	Oct. 27, 1978	2025
95-528	*Omar Burleson Federal Building, Tex., designation.* AN ACT To designate the "Omar Burleson Federal Building"	Oct. 27, 1978	2026

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95-529	*George Mahon Federal Building, Tex., designation.* AN ACT To designate the "George Mahon Federal Building"	Oct. 27, 1978	2027
95-530	*U.S. attorneys and marshals, residence requirement, exemption.* AN ACT To amend title 28 of the United States Code to provide that the requirement that each United States attorney and United States marshal reside in the district for which he is appointed shall not apply to an individual appointed to such a position for the Northern Mariana Islands if such individual is at the same time serving in the same capacity in another district	Oct. 27, 1978	2028
95-531	*Leslie C. Arends Building, Ill., designation.* AN ACT To designate a certain Federal building in Bloomington, Illinois, the "Leslie C. Arends Building"	Oct. 27, 1978	2029
95-532	*Paul G. Rogers Federal Building, Fla., designation.* AN ACT To designate the "Paul G. Rogers Federal Building"	Oct. 27, 1978	2030
95-533	*New Mexico Constitution, amendment.* JOINT RESOLUTION To consent to an amendment of the constitution of the State of New Mexico to provide a method for executing leases and other contracts for the development and operation of geothermal steam and waters on lands granted or confirmed to such State	Oct. 27, 1978	2031
95-534	*Federal Reserve banks, authority extension.* JOINT RESOLUTION To extend the authority of the Federal Reserve banks to buy and sell certain obligations	Oct. 27, 1978	2032
95-535	*U.S. Courts, fees, per diem and mileage expenses for witnesses.* AN ACT To establish fees and allow per diem and mileage expenses for witnesses before United States courts	Oct. 27, 1978	2033
95-536	*New Hampshire-Vermont Interstate School Compact, amendment.* AN ACT To consent to certain amendments to the New Hampshire-Vermont Interstate School Compact, approved by Public Law 91-21	Oct. 27, 1978	2035
95-537	*Contract Services for Drug Dependent Federal Offenders Act of 1978.* AN ACT To enable the Department of Justice and the Administrative Office of the United States Courts to provide services and special supervision to drug dependent Federal offenders in an efficient and effective manner	Oct. 27, 1978	2038
95-538	*Justice William O. Douglas Federal Building, Wash., designation.* AN ACT To rename the United States Federal building in Yakima, Washington, the "Justice William O. Douglas Federal Building"	Oct. 27, 1978	2039
95-539	*Court Interpreters Act.* AN ACT To provide more effectively for the use of interpreters in courts of the United States, and for other purposes	Oct. 28, 1978	2040
95-540	*Privacy Protection for Rape Victims Act of 1978.* AN ACT To amend the Federal Rules of Evidence to provide for the protection of the privacy of rape victims	Oct. 28, 1978	2046
95-541	*Antarctic Conservation Act of 1978.* AN ACT To implement the Agreed Measures for the Conservation of Antarctic Fauna and Flora, and for other purposes	Oct. 28, 1978	2048
95-542	*C. Bascom Slemp Building, Va., designation.* AN ACT To designate a certain Federal building in Big Stone Gap, Virginia, the "C. Bascom Slemp Building"	Oct. 28, 1978	2058
95-543	*Joe Skubitz Social Security Administration Center, Kans., designation.* AN ACT To designate a building in Pittsburg, Kansas, as the "Joe Skubitz Social Security Administration Center"	Oct. 28, 1978	2059
95-544	*John J. Flynt, Jr., Federal Building, Ga., designation.* AN ACT To designate the United States Post Office and Federal Building in Griffin, Georgia, the "John J. Flynt, Jr. Federal Building"	Oct. 28, 1978	2060

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95-545	*Joe Waggonner Federal Building, La., designation.* AN ACT To name a certain Federal building in Shreveport, Louisiana, the "Joe Waggonner Federal Building"	Oct. 28, 1978	2061
95-546	*Great Bear Wilderness, Mont., designation.* AN ACT To designate the Great Bear Wilderness, Flathead National Forest, and enlarge the Bob Marshall Wilderness, Flathead and Lewis and Clark National Forests, State of Montana	Oct. 28, 1978	2062
95-547	*Food and Agriculture Act of 1977, amendment.* AN ACT To amend section 1445(b) of the Food and Agriculture Act of 1977 to modify the formula for distribution of funds authorized thereunder for agricultural research	Oct. 28, 1978	2063
95-548	*Library of Congress James Madison Memorial Building, additional authorization.* AN ACT To amend the Act of October 19, 1965, to provide additional authorization for the Library of Congress James Madison Memorial Building	Oct. 30, 1978	2064
95-549	*Immigration and Nationality Act, amendment.* AN ACT To amend the Immigration and Nationality Act to exclude from admission into, and to deport from, the United States all aliens who persecuted any person on the basis of race, religion, national origin, or political opinion, under the direction of the Nazi government of Germany, and for other purposes	Oct. 30, 1978	2065
95-550	*University of New Mexico, land conveyance.* AN ACT To provide for conveyance of certain lands near Dixon, New Mexico, to the University of New Mexico	Oct. 30, 1978	2067
95-551	*U.S. Military Academy, N.Y., permanent faculty structure, modernization.* AN ACT To amend title 10, United States Code, to modernize the permanent faculty structure at the United States Military Academy, and for other purposes	Oct. 30, 1978	2069
95-552	*Migratory-bird hunting and conservation stamps, price increase.* AN ACT To increase the price of migratory-bird hunting and conservation stamps and to provide for consultation by the Secretary of the Interior with State and local authorities before migratory bird areas are recommended for purchase or rental, and for other purposes	Oct. 30, 1978	2071
95-553	*North Pacific Fisheries Act of 1954, amendment.* AN ACT To make technical corrections in the North Pacific Fisheries Act of 1954	Oct. 30, 1978	2072
95-554	*Mineral Leasing Act of 1920, amendment.* AN ACT To further amend the Mineral Leasing Act of 1920 (30 U.S.C. 201(a)), to authorize the Secretary of the Interior to exchange Federal coal leases and to encourage recovery of certain coal deposits, and for other purposes	Oct. 30, 1978	2073
95-555	*Pregnancy sex discrimination, prohibition.* AN ACT To amend title VII of the Civil Rights Act of 1964 to prohibit sex discrimination on the basis of pregnancy	Oct. 31, 1978	2076
95-556	*Territory of American Samoa, nonvoting delegate to U.S. House of Representatives.* AN ACT To provide that the Territory of American Samoa be represented by a nonvoting Delegate to the United States House of Representatives, and for other purposes	Oct. 31, 1978	2078
95-557	*Housing and Community Development Amendments of 1978.* AN ACT To amend and extend certain Federal laws relating to housing, community, and neighborhood development and preservation, and related programs, and for other purposes	Oct. 31, 1978	2080
95-558	*Rulemaking procedures report, filing deadline, extension.* AN ACT To amend section 202(d) of the Magnuson-Moss Warranty—Federal Trade Commission Improvement Act to extend the deadline for filing a report of rulemaking procedures	Nov. 1, 1978	2130

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95-559	*Health Maintenance Organization Amendments of 1978.* AN ACT To amend the Public Health Service Act to revise and extend the program of assistance under that Act for health maintenance organizations	Nov. 1, 1978	2131
95-560	*Mrs. Robert F. Kennedy, gold medal presentation, authorization.* AN ACT Authorizing the President of the United States to present a gold medal to the widow of Robert F. Kennedy	Nov. 1, 1978	2142
95-561	*Education Amendments of 1978.* AN ACT To extend and amend expiring elementary and secondary education programs, and for other purposes	Nov. 1, 1978	2143
95-562	*Perishable Agricultural Commodities Act, amendment.* AN ACT To amend the Perishable Agricultural Commodities Act	Nov. 1, 1978	2381
95-563	*Contract Disputes Act of 1978.* AN ACT To provide for the resolution of claims and disputes relating to Government contracts awarded by executive agencies	Nov. 1, 1978	2383
95-564	*Communications Satellite Act of 1962, amendment.* AN ACT To provide for the establishment, ownership, operation, and governmental oversight and regulation of international maritime satellite telecommunications services	Nov. 1, 1978	2392
95-565	*United States Railway Association Amendments Act of 1978.* AN ACT To amend the Regional Rail Reorganization Act of 1973 to authorize the purchase of an additional $1,200,000,000 of the series A preferred stock of the Corporation, and for other purposes	Nov. 1, 1978	2397
95-566	*Middle Income Student Assistance Act.* AN ACT To amend title IV of the Higher Education Act of 1965 to increase the availability of assistance to middle-income students	Nov. 1, 1978	2402
95-567	*Public Telecommunications Financing Act of 1978.* AN ACT To amend the Communications Act of 1934 to extend and improve the provisions of such Act relating to long-term financing for the Corporation for Public Broadcasting and relating to certain grant programs for public telecommunications, and for other purposes	Nov. 2, 1978	2405
95-568	*Economic Opportunity Amendments of 1978.* AN ACT To amend the Economic Opportunity Act of 1964, and for other purposes	Nov. 2, 1978	2425
95-569	*Smithsonian Institution, construction of support museum facilities.* AN ACT To authorize the Smithsonian Institution to construct support museum facilities	Nov. 2, 1978	2444
95-570	*White House Office and Executive Residence, personnel employment.* AN ACT To clarify the authority for employment of personnel in the White House Office and the Executive Residence at the White House, to clarify the authority for employment of personnel by the President to meet unanticipated needs, and for other purposes	Nov. 2, 1978	2445
95-571	*Minnesota Chippewa Indians, Mille Lacs Band, land acquisition.* AN ACT To authorize and direct the Secretary of the Interior to acquire certain lands for the benefit of the Mille Lacs Band of the Minnesota Chippewa Indians	Nov. 2, 1978	2452
95-572	*Jury System Improvements Act of 1978.* AN ACT To amend the Jury Selection and Service Act of 1968, as amended, by revising the section on fees of jurors and by providing for a civil penalty and injunctive relief in the event of a discharge or threatened discharge of an employee by reason of such employee's Federal jury service	Nov. 2, 1978	2453

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95-573	*District courts.* AN ACT To amend title 28 of the United States Code to make certain changes in the divisions within judicial districts and in the places of holding court, and to require the Director of the Administrative Office of the United States Courts to conduct a study of the judicial business of the Central District of California and the Eastern District of New York	Nov. 2, 1978	2458
95-574	*Federal Railroad Safety Authorization Act of 1978.* AN ACT To amend the Federal Railroad Safety Act of 1970 to authorize additional appropriations, and for other purposes	Nov. 2, 1978	2459
95-575	*Cigarettes, sale and distribution racketeering, elimination.* AN ACT To amend title 18 of the United States Code to eliminate racketeering in the sale and distribution of cigarettes, and for other purposes	Nov. 2, 1978	2463
95-576	*Federal Water Pollution Control Act, amendment.* AN ACT To amend the Federal Water Pollution Control Act to provide additional authorizations for certain operating programs under the Act	Nov. 2, 1978	2467
95-577	*Rayburn Office Building and House Annex No. 2, solar collector installation.* AN ACT To authorize the Architect of the Capitol to install solar collectors for furnishing a portion of the energy needs of the Rayburn House Office Building and House Office Building Annex Numbered 2, and for other purposes	Nov. 2, 1978	2470
95-578	*Reclamation Safety of Dams Act of 1978.* AN ACT To authorize the Secretary of the Interior to construct, restore, operate, and maintain new or modified features at existing Federal reclamation dams for safety of dams purposes	Nov. 2, 1978	2471
95-579	*Immigration and Nationality Act, amendment, Eugenia Cortes, relief.* AN ACT Amending section 312 of the Immigration and Nationality Act	Nov. 2, 1978	2474
95-580	*Rural Transportation Advisory Task Force, establishment.* AN ACT To establish a Rural Transportation Advisory Task Force, and for other purposes	Nov. 2, 1978	2475
95-581	*Marine Corps, Sergeant Major, retired pay recalculation.* AN ACT To provide for recalculation of the retired pay of individuals who served as sergeant major of the Marine Corps before December 16, 1967	Nov. 2, 1978	2478
95-582	*Subpoenas, nationwide service in certain suits.* AN ACT To provide for nationwide service of subpoenas in all suits involving the False Claims Act, and for other purposes	Nov. 2, 1978	2479
95-583	*Federal employees, life and health insurance benefits.* AN ACT To amend subchapter III of chapter 83 of title 5, United States Code, to provide that employees who retire after 5 years of service, in certain instances, may be eligible to retain their life and health insurance benefits, and for other purposes	Nov. 2, 1978	2481
95-584	*Religious corporations, limitation on land holdings, repeal.* AN ACT To repeal certain provisions of law establishing limits on the amount of land certain religious corporations may hold in any Territory of the United States	Nov. 2, 1978	2483
95-585	*Miller Act, amendment.* AN ACT To amend the Act commonly known as the Miller Act to raise the dollar amount of contracts to which such Act applies from $2,000 to $25,000	Nov. 2, 1978	2484
95-586	*Land conveyances, validation.* AN ACT To validate certain land conveyances, and for other purposes	Nov. 3, 1978	2485
95-587	*Riverside County, Calif., land claims by U.S.* AN ACT To amend certain provisions of law relating to land claims by the United States in Riverside County, California, based upon the accretion or avulsion, and for other purposes	Nov. 3, 1978	2496

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95-588	*Veterans' and Survivors' Pension Improvement Act of 1978.* AN ACT To amend title 38, United States Code, to provide improvements in the pension program for certain veterans of a period of war with non-service-connected disabilities, for certain surviving spouses of veterans of a period of war, and for certain surviving children of veterans of a period of war, to increase the rates of dependency and indemnity compensation for surviving parents of certain veterans, to provide for automatic annual cost-of-living adjustments in the rates of pension and in the rates of parents' dependency and indemnity compensation, to prevent reductions in and terminations of pension and terminations of parents' dependency and indemnity compensation solely attributable to cost-of-living increases in social security benefits, and for other purposes	Nov. 4, 1978	2497
95-589	*Uniformed Services University of the Health Sciences, members, Board of Regents, service after term expires.* AN ACT To amend title 10, United States Code, to provide that a member of the Board of Regents of the Uniformed Services University of the Health Sciences whose term of office has expired shall continue to serve until a successor is appointed	Nov. 4, 1978	2512
95-590	*Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978.* AN ACT To provide for an accelerated program of research, development, and demonstration of solar photovoltaic energy technologies leading to early competitive commercial applicability of such technologies to be carried out by the Department of Energy, with the support of the National Aeronautics and Space Administration, the National Bureau of Standards, the General Services Administration, and other Federal agencies	Nov. 4, 1978	2513
95-591	*Presidential Records Act of 1978.* AN ACT To amend title 44 to insure the preservation of and public access to the official records of the President, and for other purposes	Nov. 4, 1978	2523
95-592	*Native Latex Commercialization and Economic Development Act of 1978.* AN ACT To amend the Public Works and Economic Development Act of 1965 to authorize a program of research, development, and demonstration of guayule rubber production and manufacture as an economic development opportunity for the Southwestern States	Nov. 4, 1978	2529
95-593	*Overseas Citizens Voting Rights Act of 1975, amendment.* AN ACT To improve the administration and operation of the Overseas Citizens Voting Rights Act of 1975, and for other purposes	Nov. 4, 1978	2535
95-594	*96th Congress, first session.* JOINT RESOLUTION Relative to the convening of the first session of the Ninety-sixth Congress, and for other purposes	Nov. 4, 1978	2540
95-595	*Budget and Accounting Procedures Act of 1950, amendment.* AN ACT To amend the Budget and Accounting Procedures Act of 1950 to require that the Comptroller General provide for a financial audit with respect to pension plans for officers and employees of the Federal Government and its agencies and instrumentalities, to require that an annual report, including a financial statement and an actuarial statement, be furnished to the Congress and the Comptroller General with respect to such plans, and for other purposes	Nov. 4, 1978	2541
95-596	*Pension Building, D.C., restoration and renovation.* JOINT RESOLUTION To initiate preliminary studies for the restoration and renovation of the Pension Building in Washington, District of Columbia, to house a Museum of the Building Arts, and for other purposes	Nov. 4, 1978	2544

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95-597	*Regional Rail Reorganization Act of 1973, amendment.* AN ACT To amend the Regional Rail Reorganization Act of 1973 to require ConRail to make premium payments under certain medical and life insurance policies, to provide that ConRail shall be entitled to a loan under section 211(h) of such Act in an amount required for such premium payments, and to provide that such premium payments shall be deemed to be expenses of administration of the respective railroads in reorganization	Nov. 4, 1978	2547
95-598	*Title 11, USC, bankruptcy.* AN ACT To establish a uniform Law on the Subject of Bankruptcies	Nov. 6, 1978	2549
95-599	*Surface Transportation Assistance Act of 1978.* AN ACT To authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, for highway safety, for mass transportation in urban and in rural areas, and for other purposes	Nov. 6, 1978	2689
95-600	*Revenue Act of 1978.* AN ACT To amend the Internal Revenue Code of 1954 to reduce income taxes, and for other purposes	Nov. 6, 1978	2763
95-601	*Nuclear Regulatory Commission, appropriation authorization.* AN ACT To authorize appropriations to the Nuclear Regulatory Commission for fiscal year 1979, and for other purposes	Nov. 6, 1978	2947
95-602	*Rehabilitation, Comprehensive Services, and Developmental Disabilities Amendments of 1978.* AN ACT To amend the Rehabilitation Act of 1973 to extend certain programs established in such Act, to establish a community service employment program for handicapped individuals, and to provide comprehensive services for independent living for handicapped individuals, to amend the Developmental Disabilities Services and Facilities Construction Act to revise and extend the programs under that Act, and for other purposes	Nov. 6, 1978	2955
95-603	*Federal Physicians Comparability Allowance Act of 1978.* AN ACT To amend title 5, United States Code, to provide special allowances to certain physicians employed by the United States in order to enhance the recruitment and retention of such physicians	Nov. 6, 1978	3018
95-604	*Uranium Mill Tailings Radiation Control Act of 1978.* AN ACT To authorize the Secretary of Energy to enter into cooperative agreements with certain States respecting residual radioactive material at existing sites, to provide for the regulation of uranium mill tailings under the Atomic Energy Act of 1954, and for other purposes	Nov. 8, 1978	3021
95-605	*Toiyabe National Forest, Nev., boundaries extension.* AN ACT To extend the boundaries of the Toiyabe National Forest in Nevada, and for other purposes	Nov. 8, 1978	3044
95-606	*Amateur Sports Act of 1978.* AN ACT To promote and coordinate amateur athletic activity in the United States, to recognize certain rights for United States amateur athletes, to provide for the resolution of disputes involving national governing bodies, and for other purposes	Nov. 8, 1978	3045
95-607	*Department of Transportation Act, amendment.* AN ACT To amend section 5 of the Department of Transportation Act, relating to rail service assistance, and for other purposes	Nov. 8, 1978	3059
95-608	*Indian Child Welfare Act of 1978.* AN ACT To establish standards for the placement of Indian children in foster or adoptive homes, to prevent the breakup of Indian families, and for other purposes	Nov. 8, 1978	3069

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95-609	*Quiet Communities Act of 1978.* AN ACT To extend provisions of the Noise Control Act of 1972 for one year, and for other purposes	Nov. 8, 1978	3079
95-610	*Armed Forces, union organizations, prohibition.* AN ACT To amend title 10, United States Code, to prohibit union organization of the armed forces, membership in military labor organizations by members of the armed forces, and recognition of military labor organizations by the Government, and for other purposes	Nov. 8, 1978	3085
95-611	*United States Railway Association, appropriation authorization.* AN ACT To amend the Regional Rail Reorganization Act of 1973 to authorize appropriations for the United States Railway Association for fiscal year 1979	Nov. 8, 1978	3089
95-612	*Exchange Stabilization Fund.* AN ACT To provide that the Exchange Stabilization Fund shall not be available for payment of administrative expenses, and for other purposes	Nov. 8, 1978	3091
95-613	*Public Health Service Act, amendment.* AN ACT To extend the programs of assistance under title X and part B of title XI of the Public Health Service Act	Nov. 8, 1978	3093
95-614	*Cibola National Forest, N. Mex., boundary extension.* AN ACT To amend the boundary of the Cibola National Forest, designate an intended wilderness area, and for other purposes	Nov. 8, 1978	3095
95-615	*Tax Treatment Extension Act of 1977.* AN ACT To change the tax treatment of income earned abroad by United States citizens and residents, and for other purposes	Nov. 8, 1978	3097
95-616	*Fish and Wildlife Improvement Act of 1978.* AN ACT To improve the administration of fish and wildlife programs, and for other purposes	Nov. 8, 1978	3110
95-617	*Public Utility Regulatory Policies Act of 1978.* AN ACT To suspend until the close of June 30, 1980, the duty on certain doxorubicin hydrochloride antibiotics	Nov. 9, 1978	3117
95-618	*Energy Tax Act of 1978.* AN ACT To provide tax incentives for the production and conservation of energy, and for other purposes	Nov. 9, 1978	3174
95-619	*National Energy Conservation Policy Act.* AN ACT For the relief of Jack R. Misner	Nov. 9, 1978	3206
95-620	*Powerplant and Industrial Fuel Use Act of 1978.* AN ACT To amend the Tariff Schedules of the United States to provide for the duty-free entry of competition bobsleds and luges	Nov. 9, 1978	3289
95-621	*Natural Gas Policy Act of 1978.* AN ACT For the relief of Joe Cortina of Tampa, Florida	Nov. 9, 1978	3350
95-622	*Community Mental Health Centers Act, amendments.* AN ACT To amend the Community Mental Health Centers Act to revise and extend the programs under that Act, to amend the Public Health Service Act to revise and extend the programs of assistance for libraries of medicine, the programs of the National Heart, Lung, and Blood Institute, and of the National Cancer Institute, and the program for National Research Service Awards, to establish the President's Commission for the Study of Ethical Problems in Medicine and Biomedical and Behavioral Research, and for other purposes	Nov. 9, 1978	3412
95-623	*Health Services Research, Health Statistics, and Health Care Technology Act of 1978.* AN ACT To amend the Public Health Service Act to revise and extend the authorities under that Act relating to health services research and health statistics and to establish a National Center for Health Care Technology, and for other purposes	Nov. 9, 1978	3443

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95–624	*Department of Justice Appropriation Authorization Act, Fiscal Year 1979.* AN ACT To authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1979, and for other purposes	Nov. 9, 1978	3459
95–625	*National Parks and Recreation Act of 1978.* AN ACT To authorize additional appropriations for the acquisition of lands and interests in lands within the Sawtooth National Recreation Area in Idaho	Nov. 10, 1978	3467
95–626	*Health Services and Centers Amendments of 1978.* AN ACT To amend the Public Health Service Act and related health laws to revise and extend the programs of financial assistance for the delivery of health services, the provision of preventive health services, and for other purposes	Nov. 10, 1978	3551
95–627	*Child Nutrition Amendments of 1978.* AN ACT To extend and amend the special supplemental food program and the child care food program, and for other purposes	Nov. 10, 1978	3603
95–628	*Internal Revenue Code of 1954, amendment.* AN ACT To revise miscellaneous timing requirements of the revenue laws, and for other purposes	Nov. 10, 1978	3627
95–629	*Pennsylvania Avenue Development Corporation Act of 1972, amendment.* AN ACT To amend the Pennsylvania Avenue Development Corporation Act of 1972; to provide for the establishment of the San Antonio Missions National Historical Park; and for other purposes	Nov. 10, 1978	3635
95–630	*Financial Institutions Regulatory and Interest Rate Control Act of 1978.* AN ACT To extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions	Nov. 10, 1978	3641
95–631	*Consumer Product Safety Act, amendment.* AN ACT To amend the Consumer Product Safety Act to extend the authorization of appropriations, and for other purposes	Nov. 10, 1978	3742
95–632	*Endangered Species Act Amendments of 1978.* AN ACT To amend the Endangered Species Act of 1973 to establish an Endangered Species Interagency Committee to review certain actions to determine whether exemptions from certain requirements of that Act should be granted for such actions	Nov. 10, 1978	3751
95–633	*Psychotropic Substances Act of 1978.* AN ACT To amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 and other laws to meet obligations under the Convention on Psychotropic Substances relating to regulatory controls on the manufacture, distribution, importation, and exportation of psychotropic substances, and for other purposes	Nov. 10, 1978	3768

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95-30	*Young-soon Choi.* AN ACT For for the relief of Young-soon Choi	Mar. 27, 1978	3803
95-31	*Mrs. Desolina Sciulli.* AN ACT For the relief of Mrs. Desolina Sciulli	Mar. 27, 1978	3804
95-32	*Meda Abilay Florin.* AN ACT For the relief of Meda Abilay Florin	Mar. 27, 1978	3804
95-33	*Su-Hwan Choe.* AN ACT For the relief of Su-Hwan Choe	Mar. 27, 1978	3805
95-34	*Mrs. Chong Sun Yi Rauch.* AN ACT For the relief of Mrs. Chong Sun Yi Rauch	Mar. 27, 1978	3805
95-35	*Kwi Sok Buckingham (nee Kim).* AN ACT For the relief of Kwi Sok Buckingham (nee Kim)	Mar. 27, 1978	3805
95-36	*Ernesto F. Garcia, Jr.* AN ACT For the relief of Ernesto F. Garcia, Junior	May 12, 1978	3806
95-37	*Oh Soon Yi.* AN ACT For the relief of Oh Soon Yi	May 15, 1978	3806
95-38	*First Baptist Church of Paducah, Ky.* AN ACT For the relief of the First Baptist Church of Paducah, Kentucky	May 16, 1978	3807
95-39	*Charles P. Abbott.* AN ACT For the relief of Charles P. Abbott	June 10, 1978	3807
95-40	*Young Hee Kim Kang and children.* AN ACT For the relief of Young Hee Kim Kang and her children, Hee Jae Kang, Hee Jin Kang, and Hee Soo Kang	June 19, 1978	3807
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Public Law 95-473
95th Congress

An Act

To revise, codify, and enact without substantive change the Interstate Commerce Act and related laws as subtitle IV of title 49, United States Code, "Transportation".

Oct. 17, 1978
[H.R. 10965]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That certain general and permanent laws of the United States, related to transportation, are revised, codified, and enacted as title 49, United States Code, "Transportation", as follows:

Interstate Commerce Act and related laws. Enactment as title 49, Subtitle IV, U.S. Code.

TITLE 49—TRANSPORTATION

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II.	[RESERVED—TRANSPORTATION PROGRAMS]	
III.	[RESERVED—AIR TRANSPORTATION]	
IV.	INTERSTATE COMMERCE	10101
V.	[RESERVED—MISCELLANEOUS]	

SUBTITLE IV—INTERSTATE COMMERCE

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CHAPTER 101—GENERAL PROVISIONS

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§ 10101. Transportation policy

49 USC 10101.

(a) To ensure the development, coordination, and preservation of a transportation system that meets the transportation needs of the United States, including the United States Postal Service and national defense, it is the policy of the United States Government to provide for the impartial regulation of the modes of transportation subject to this subtitle, and in regulating those modes—

(1) to recognize and preserve the inherent advantage of each mode of transportation;

(2) to promote safe, adequate, economical, and efficient transportation;

(3) to encourage sound economic conditions in transportation, including sound economic conditions among carriers;

(4) to encourage the establishment and maintenance of reasonable rates for transportation without unreasonable discrimination or unfair or destructive competitive practices;

(5) to cooperate with each State and the officials of each State on transportation matters; and

(6) to encourage fair wages and working conditions in the transportation industry.

(b) This subtitle shall be administered and enforced to carry out the policy of this section.

49 USC 10102.

§ 10102. Definitions

In this subtitle—

(1) "broker" means a person, other than a motor carrier or an employee or agent of a motor carrier, that as a principal or agent sells, offers for sale, negotiates for, or holds itself out by solicitation, advertisement, or otherwise as selling, providing, or arranging for, transportation by motor carrier for compensation.

(2) "carrier" means a common carrier and a contract carrier.

(3) "car service" includes (A) the use, control, supply, movement, distribution, exchange, interchange, and return of locomotives, cars, other vehicles, and special types of equipment used in the transportation of property by a rail carrier, and (B) the supply of trains by a rail carrier.

(4) "common carrier" means an express carrier, a pipeline carrier, a rail carrier, a sleeping car carrier, a motor common carrier, a water common carrier, and a freight forwarder.

(5) "contract carrier" means a motor contract carrier and a water contract carrier.

(6) "control", when referring to a relationship between persons, includes actual control, legal control, and the power to exercise control, through or by (A) common directors, officers, stockholders, a voting trust, or a holding or investment company, or (B) any other means.

(7) "express carrier" means a person providing express transportation for compensation.

(8) "freight forwarder" means a person holding itself out to the general public (other than as an express, pipeline, rail, sleeping car, motor, or water carrier) to provide transportation of property for compensation and in the ordinary course of its business—

(A) assembles and consolidates, or provides for assembling and consolidating, shipments and performs or provides for break-bulk and distribution operations of the shipments;

(B) assumes responsibility for the transportation from the place of receipt to the place of destination; and

(C) uses for any part of the transportation a carrier subject to the jurisdiction of the Interstate Commerce Commission under subchapter I, II, or III of chapter 105 of this title.

Post, pp. 1359, 1361, 1365.

(9) "highway" means a road, highway, street, and way in a State.

(10) "motor carrier" means a motor common carrier and a motor contract carrier.

(11) "motor common carrier" means a person holding itself out to the general public to provide motor vehicle transportation for compensation over regular or irregular routes, or both.

(12) "motor contract carrier" means a person, other than a motor common carrier, providing motor vehicle transportation for compensation under continuing agreements with a person or a limited number of persons—

(A) by assigning motor vehicles for a continuing period of time for the exclusive use of each such person; or

(B) designed to meet the distinct needs of each such person.

(13) "motor private carrier" means a person, other than a motor carrier, transporting property by motor vehicle when—

(A) the transportation is as provided in section 10521(a)(1) and (2) of this title;

Post, p. 1361.

(B) the person is the owner, lessee, or bailee of the property being transported; and

(C) the property is being transported for sale, lease, rent, or bailment, or to further a commercial enterprise.

(14) "motor vehicle" means a vehicle, machine, tractor, trailer, or semitrailer propelled or drawn by mechanical power and used on a highway in transportation, or a combination determined by the Commission, but does not include a vehicle, locomotive, or car operated only on a rail, or a trolley bus operated by electric power from a fixed overhead wire, and providing local passenger transportation similar to street-railway service.

(15) "person", in addition to its meaning under section 1 of title 1, includes a trustee, receiver, assignee, or personal representative of a person.

(16) "pipeline carrier" means a person providing pipeline transportation for compensation.

(17) "rail carrier" means a person providing railroad transportation for compensation.

(18) "railroad" includes—

(A) a bridge, car float, lighter, and ferry used by or in connection with a railroad;

(B) the road used by a rail carrier and owned by it or operated under an agreement; and

(C) a switch, spur, track, terminal, terminal facility, and a freight depot, yard, and ground, used or necessary for transportation.

(19) "rate" means a rate, fare, or charge for transportation.

(20) "sleeping car carrier" means a person providing sleeping car transportation for compensation.

(21) "State" means a State of the United States and the District of Columbia.

(22) "tariff", when used in reference to a contract carrier, means a schedule.

(23) "transportation" includes—

(A) a locomotive, car, vehicle, motor vehicle, vessel, warehouse, wharf, pier, dock, yard, property, facility, instrumentality, or equipment of any kind related to the movement of passengers or property, or both, regardless of ownership or an agreement concerning use; and

(B) services related to that movement, including receipt, delivery, elevation, transfer in transit, refrigeration, icing, ventilation, storage, handling, and interchange of passengers and property.

(24) "United States" means the States of the United States and the District of Columbia.

(25) "vessel" means a watercraft or other artificial contrivance that is used, is capable of being used, or is intended to be used, as a means of transportation by water.

(26) "water carrier" means a water common carrier and a water contract carrier.

(27) "water common carrier" means a person holding itself out to the general public to provide water transportation for compensation.

(28) "water contract carrier" means a person, other than a water common carrier, providing water transportation for compensation under an agreement with another person, including transportation on a vessel provided to a person other than a carrier subject to the jurisdiction of the Commission under this subtitle when the vessel is used to transport only the property of the other person.

49 USC 10103.

§ 10103. Remedies as cumulative

The remedies provided under this subtitle are in addition to remedies existing under another law or at common law.

CHAPTER 103—INTERSTATE COMMERCE COMMISSION

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SUBCHAPTER I—ORGANIZATION

§ 10301. General

49 USC 10301.

(a) The Interstate Commerce Commission is an independent establishment of the United States Government.

Membership. Chairman.

(b) The Commission is composed of 11 members appointed by the President, by and with the advice and consent of the Senate. The President shall designate one of the members as Chairman. Not more than 6 members may be appointed from the same political party.

Term.

(c) The term of each member of the Commission is 7 years and begins when the term of the predecessor of that member ends. An individual appointed to fill a vacancy occurring before the expiration of the term for which the predecessor of that individual was appointed, is appointed for the remainder of that term. When the term of office of a member ends, the member may continue to serve until a successor is appointed and qualified. The President may remove a member for inefficiency, neglect of duty, or malfeasance in office.

(d) A member of the Commission may not have a pecuniary interest in, hold an official relation to, or own stock in or bonds of, a carrier providing transportation by any mode and may not engage in another business, vocation, or employment.

(e) A vacancy in the membership of the Commission does not impair the right of the remaining members to exercise all of the powers of the Commission. The Commission may designate a member to act as Chairman during any period in which there is no Chairman designated by the President.

Responsibilities.

(f) Subject to the general policies, decisions, findings, and determinations of the Commission, the Chairman is responsible for administering the Commission. The Chairman may delegate the powers granted under this subsection to an officer, employee, or administrative unit of the Commission. The Chairman shall—

(1) appoint and supervise, other than regular and full time employees in the immediate offices of another member, the officers and employees of the Commission, including attorneys to provide legal aid and service to the Commission and its members, to represent the public interest in investigations and proceedings of the Commission, and to represent the Commission in any case in court;

(2) appoint the heads of major administrative units with the approval of the Commission;

(3) distribute Commission business among officers and employees and administrative units of the Commission;

(4) prepare requests for appropriations for the Commission and submit those requests to the President and Congress with the prior approval of the Commission; and

(5) supervise the expenditure of funds allocated by the Commission for major programs and purposes.

(g) The Commission shall have a seal that shall be judicially recognized.

(h) The expenses of the Commission shall be paid after presentation and approval by the Chairman of itemized vouchers.

49 USC 10302.

§ 10302. Divisions of the Commission

(a) The Interstate Commerce Commission may establish and assign Commissioners to serve on as many divisions as may be necessary and may designate any division as an appellate division. Each division shall be composed of at least 3 Commissioners. The Commission may assign a Commissioner to serve on more than one division.

(b) Unless otherwise directed by the Commission—

(1) the Commissioner senior in service of the Commissioners on a division is chairman of the division; and

(2) the Chairman of the Commission, or another Commissioner designated by the Chairman, may serve on a division temporarily, when there is a vacancy in the membership of the division or when another Commissioner is absent or unable to serve.

(c) The Commission shall designate each division numerically or by a term descriptive of the function of that division.

49 USC 10303.

§ 10303. Secretary of the Commission; public records

(a) The Chairman of the Interstate Commerce Commission, with its approval, shall appoint the Secretary of the Commission.

(b) The Secretary is the custodian of public records filed with the Commission. Copies of classifications, tariffs, and all arrangements filed with the Commission under this subtitle, and the statistics, tables, and figures contained in reports made to the Commission under this subtitle, are public records. A public record, or a copy or extract of it, certified by the Secretary under the seal of the Commission is competent evidence in a proceeding of the Commission and in a judicial proceeding.

49 USC 10304.

§ 10304. Employee boards

The Interstate Commerce Commission may establish employee boards composed of at least 3 employees. An employee who is a director or assistant director of a bureau, a chief of a section, an employee designated by the Commission, or an attorney may serve on a board.

49 USC 10305.

§ 10305. Delegation of authority

(a) The Interstate Commerce Commission may delegate to a division, an individual Commissioner, an employee board, or an employee appointed under section 3105 of title 5, a matter before the Commission for action, including a matter referred to it by either House of Congress or by Congress. However, the Commission may not delegate a matter required to be referred to a joint board under section 10341 of this title, or a function vested in the Commission under this chapter. The Commission may change or rescind a delegation under this subsection at any time. When a Commissioner or employee cannot act on a matter delegated under this section because of absence or another reason, the Chairman of the Commission may designate another Commissioner or employee, as the case may be, to serve temporarily until the Commission otherwise orders.

(b) Delegation to a division of a matter related to the validity of rates shall be made according to the character of regulation exercised.

The delegation of any such matter may not be made according to the kind or class of carrier involved or to the form or mode of transportation in which that carrier may be engaged.

(c) A division, individual Commissioner, employee board, or an employee may act on a matter delegated under subsection (a) of this section. When acting under this section, a division, individual Commissioner, board, or an employee has the same power and authority and is subject to the same duties and obligations as the Commission. Action taken under this section has the same force and is taken in the same manner as if taken by the Commission.

§ 10306. Conduct of proceedings

49 USC 10306.

(a) A majority of the Interstate Commerce Commission, a division, or an employee board is a quorum for the transaction of business. A Commissioner, the Secretary of the Commission, a member of an employee board, or an employee delegated to act under section 10305 of this title may administer oaths.

(b) A party may appear and be heard before the Commission, a division, an individual Commissioner, a board, or an employee delegated to act under section 10305 of this title in person or by an individual admitted to practice under section 10308 of this title. A hearing before the Commission, a division, an individual Commissioner, a board, or an employee shall be made public on the request of an interested party.

(c) The Commission shall conform its forms for giving notice and their manner of service, to the extent practical, to those used by the courts of the United States.

(d) Votes and other official acts of the Commission, a division, an individual Commissioner, an employee board, or an employee delegated to act under section 10305 of this title shall be recorded and shall be made public on the request of an interested party.

(e) A member of a board and an employee delegated to act under section 10305 of this title may not have a pecuniary interest in, hold an official relation to, or own securities of a carrier providing transportation by any mode.

(f) The Commission shall review at least once every 3 years and revise as necessary the rules of practice for matters related to rail carriers adopted under section 305(c) of the Railroad Revitalization and Regulatory Reform Act of 1976 (90 Stat. 53).

Rail carriers practice rules, review.

49 USC 17 note.

§ 10307. Office and sessions

49 USC 10307.

(a) The principal office of the Interstate Commerce Commission is in the District of Columbia. Until otherwise provided by law, the Commission may obtain suitable offices for its use and may procure all necessary office supplies.

(b) General sessions of the Commission are held at its principal office. However, the Commission may hold special sessions in any part of the United States, for the convenience of the public or the parties and to avoid delay and expense. The Commission, an individual Commissioner, an employee board, or an employee delegated to act under section 10305 of this title may conduct proceedings under this subtitle in any part of the United States for the convenience of the parties.

§ 10308. Admission to practice

49 USC 10308.

Subject to section 500 of title 5, the Interstate Commerce Commission may regulate the admission of individuals to practice before it and may impose a reasonable admission fee.

Fee.

49 USC 10309.

§ 10309. Access to records by congressional committees

(a) When the Committee on Interstate and Foreign Commerce of the House of Representatives or the Committee on Commerce, Science, and Transportation of the Senate makes a written request for a record in the possession or under the control of the Interstate Commerce Commission related to a matter involving a rail carrier providing transportation subject to this subtitle, the Commission shall send that record or a copy to the committee by the 10th day after the date of receipt of the request. If the record is not sent, the Commission shall send a written report to that committee within the 10-day period stating the reason why the record has not been sent and the anticipated date on which it will be sent. If the Commission transfers a record in its possession or under its control to another department, agency, or instrumentality of the United States Government, or to a person, it must condition the transfer on the guaranteed return of the record by the transferee to the Commission so that the Commission can comply with this subsection.

Report to congressional committee.

(b) Subsection (a) of this section does not apply to a record obtained by the Commission from a person subject to regulation by it if the record contains trade secrets or commercial or financial information of a privileged or confidential nature. Subsection (a) of this section does not limit other authority of Congress, either House of Congress, or a committee or subcommittee of either House, to obtain a record.

49 USC 10310.

§ 10310. Reporting official action

(a) The Interstate Commerce Commission shall make a written report of each proceeding conducted on complaint or on its own initiative and furnish a copy to each party to that proceeding. The report shall include the findings, conclusions, and the order of the Commission and, if damages are awarded, the findings of fact supporting the award. The Commission may have its reports published for public use. A published report of the Commission is competent evidence of its contents.

(b)(1) When action of the Commission in a matter related to a rail carrier is taken by the Commission, a division, a group of Commissioners, an individual Commissioner, an employee board, an employee delegated to act under section 10305 of this title, or another individual or group of individuals designated to take official action for the Commission, the written statement of that action (including a report, order, decision and order, vote, notice, letter, policy statements, or regulation) shall indicate—

(A) the official designation of the individual or group taking the action;

(B) the name of each individual taking, or participating in taking, the action; and

(C) the vote or position of each participating individual.

(2) If an individual member of a group taking an official action referred to in paragraph (1) of this subsection does not participate in it, the written statement of the action shall indicate that the member did not participate. An individual participating in taking an official action is entitled to express the views of that individual as part of the written statement of the action. In addition to any publication of the written statement, it shall be made available to the public under section 552(a) of title 5.

§ 10311. Annual report

49 USC 10311.

The Interstate Commerce Commission shall prepare and send to Congress an annual report before April 3 of each year. The Commission shall include in the annual report information that may be of value in answering questions related to regulation of transportation and the names and pay of individuals employed by the Commission. The Commission may include in its annual report, or send to Congress at any time, recommendations for additional legislation related to regulation of transportation.

Submittal to Congress.

SUBCHAPTER II—ADMINISTRATIVE

§ 10321. Powers

49 USC 10321.

(a) The Interstate Commerce Commission shall carry out this subtitle. Enumeration of a power of the Commission in this subtitle does not exclude another power the Commission may have in carrying out this subtitle. The Commission may prescribe regulations in carrying out this subtitle.

Regulations.

(b) The Commission may—

(1) inquire into and report on the management of the business of carriers providing, and brokers for, transportation and service subject to this subtitle;

(2) inquire into and report on the management of the business of a person controlling, controlled by, or under common control with those carriers or brokers to the extent that the business of that person is related to the management of the business of that carrier or broker; and

(3) obtain from those carriers, brokers, and persons information the Commission decides is necessary to carry out this subtitle.

(c)(1) The Commission, an individual Commissioner, an employee board, and an employee delegated to act under section 10305 of this title may subpena witnesses and records related to a proceeding of the Commission from any place in the United States, to the designated place of the proceeding. If a witness disobeys a subpena, the Commission, or a party to a proceeding before the Commission, may petition a court of the United States to enforce that subpena.

Subpenas.

(2) Subpenas may be signed by a Commissioner, the Secretary of the Commission, or a member of a board when the subpena relates to a matter delegated to the board under section 10305 of this title.

(3) The district courts of the United States have jurisdiction to enforce a subpena issued under this section. Trial is in the district in which the proceeding is conducted. The court may punish a refusal to obey a subpena as a contempt of court.

(d)(1) In a proceeding, the Commission may take the testimony of a witness by deposition and may order the witness to produce records. A party to a proceeding pending before the Commission may take the testimony of a witness by deposition and may require the witness to produce records at any time after a proceeding is at issue on petition and answer.

Depositions.

(2) If a witness fails to be deposed or to produce records under paragraph (1) of this subsection, the Commission may subpena the witness to take a deposition, produce the records, or both.

(3) A deposition may be taken before a judge of a court of the United States, a United States magistrate, a clerk of a district court, or a chancellor, justice, or judge of a supreme or superior court, mayor

or chief magistrate of a city, judge of a county court, or court of common pleas of any State, or a notary public who is not counsel or attorney of a party or interested in the proceeding.

(4) Before taking a deposition, reasonable notice must be given in writing by the party or the attorney of that party proposing to take a deposition to the opposing party or the attorney of record of that party, whoever is nearest. The notice shall state the name of the witness and the time and place of taking the deposition.

(5) The testimony of a person deposed under this subsection shall be taken under oath. The person taking the deposition shall prepare, or cause to be prepared, a transcript of the testimony taken. The transcript shall be subscribed by the deponent.

(6) The testimony of a witness who is in a foreign country may be taken by deposition before an officer or person designated by the Commission or agreed on by the parties by written stipulation filed with the Commission. A deposition shall be filed with the Commission promptly.

(e) Each witness summoned before the Commission or whose deposition is taken under this section and the individual taking the deposition are entitled to the same fees and mileage paid for those services in the courts of the United States.

49 USC 10322.

§ 10322. Initial decisions—nonrail proceedings

(a) When testimony is taken at a public hearing, an individual Commissioner, an employee board, or an employee delegated to act under section 10305 of this title shall issue an initial decision that includes a statement of reasons for the decision and an order. The decision and order shall be filed with the Interstate Commerce Commission. An initial decision becomes an action of the Commission on the 20th day after the initial decision is served on the interested parties, including persons referred to in section 10328(b) of this title if the proceeding involves a motor carrier, unless—

Filing.

(1) an exception to the initial decision is filed by an interested party during that 20-day period or by the end of an extended period if authorized by the Commission, or a division or board designated by the Commission; or

(2) the Commission, or a division or board designated by the Commission, stays or postpones the initial decision.

Review.

(b) Before an initial decision of an individual Commissioner, a board, or an employee becomes an action of the Commission, a division or board designated by the Commission, or the Commission, may review the initial decision on its own initiative and shall review the initial decision if exception to it is filed under subsection (a)(1) of this section. An initial decision may be reviewed on the record on which it is based or by a further hearing. If an initial decision is reviewed, it is stayed or postponed pending final determination of the matter, and it is an action of the Commission only after the final determination is made.

49 USC 10323.

§ 10323. Rehearing, reargument, and reconsideration—nonrail proceedings

(a) The Interstate Commerce Commission may grant rehearing, reargument, or reconsideration of a decision that has become an action of the Commission. A party to the proceeding may apply for rehearing, reargument, or reconsideration under Commission regulations. Except as provided in subsection (b)(2) of this section, the Commission

may limit the right to apply for rehearing, reargument, or reconsideration of a decision of the Commission or a division to a proceeding or class of proceedings involving issues of general transportation importance.

(b)(1) An application for rehearing, reargument, or reconsideration shall be considered and acted on—

(A) by the Commission if the action of the Commission was taken by it; or

(B) by the Commission, or by an appellate division designated by the Commission, if the initial decision was made by a division, individual Commissioner, board, or employee.

(2) An application for rehearing, reargument, or reconsideration shall be granted and referred to an appellate division for action if—

(A) the matter was delegated for an initial decision to an individual Commissioner, board, or employee;

(B) the application is filed by the 20th day after the date the initial decision became an action of the Commission under section 10322(a) of this title; and

(C) the matter has not been previously reviewed under section 10322(b) of this title.

(c) The Commission or an appellate division may change a decision of a division, an individual Commissioner, board, or employee if the decision appears unreasonable after rehearing, reargument, or reconsideration. However, the subsequent decision is subject to rehearing, reargument, or reconsideration under this section.

§ 10324. Commission action

49 USC 10324.

(a) Unless otherwise provided in this subtitle, the Interstate Commerce Commission may determine, within a reasonable time, when its actions, other than an action ordering the payment of money, take effect. However, an action of the Commission in a proceeding involving a motor carrier, a broker, a water carrier, or freight forwarder may not take effect for 30 days.

(b) An action of the Commission remains in effect under its own terms or until superseded. The Commission may change, suspend, or set aside any such action on notice. Notice may be given in a manner determined by the Commission. A court of competent jurisdiction may suspend or set aside any such action.

(c) An action of the Commission is enforceable unless—

(1) application for rehearing, reargument, or reconsideration is made under section 10323 of this title before the effective date of the action; or

(2) the Commission stays or postpones the action.

§ 10325. Judicial review—nonrail proceedings

49 USC 10325.

A civil action to enforce, enjoin, suspend, or set aside an action of the Interstate Commerce Commission taken by a division, individual Commissioner, employee board, or employee delegated to act under section 10305 of this title may be started in a court of the United States only—

(1) on denial of an application for rehearing, reargument, or reconsideration; or

(2) if the application is granted, after a rehearing, reargument, reconsideration or other disposition by the Commission or an appellate division under section 10323 of this title.

49 USC 10326.

§ 10326. Limitations in rulemaking proceedings related to rail carriers

Petitions.

(a) When, under section 553(e) of title 5, an interested person (including a governmental authority) petitions the Interstate Commerce Commission to begin a rulemaking proceeding in a matter related to a rail carrier providing transportation subject to this subtitle, the Commission, or a division, an individual Commissioner, an employee board, an employee delegated to act under section 10305 of this title, or another person authorized to act on behalf of the Commission for any part of the proceeding, shall grant or deny that petition by the 120th day after receiving it. If the petition is granted, the Commission, or its delegate, shall begin an appropriate proceeding as soon as practicable. If the petition is denied, the reasons for the denial shall be published in the Federal Register.

Publication in Federal Register.

Civil action.

(b)(1) If a petition is denied or action is not taken within the 120-day period under subsection (a) of this section, the petitioner may begin a civil action in an appropriate court of appeals of the United States for an order directing the Commission to begin a proceeding to take the action requested in the petition. A civil action under this subsection must be filed by the 60th day after the date of the denial or by the 60th day after the end of the 120-day period, whichever is appropriate.

(2) The court of appeals shall order the Commission to begin the action requested in the petition to the Commission if the court finds that the action requested in that petition is necessary and failure to take that action will result in the continuation of practices that are not consistent with the public interest or are not in accordance with this subtitle. The finding of the court must be based on a preponderance of the evidence in the record before the Commission or its delegate, or, if the civil action is based on a petition on which action was not taken, in a new proceeding before the court. The court may not require the Commission to take action under this subtitle other than to begin a rulemaking proceeding.

49 USC 10327.

§ 10327. Commission action and appellate procedure in rail carrier proceedings

(a) Notwithstanding sections 10322, 10323, and 10324(c) of this title, this section applies to a matter before the Interstate Commerce Commission involving a rail carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title. However, other sections of this subtitle related to action of the Commission in proceedings involving rail carriers supersede this section to the extent that they are inconsistent with the provisions of this section related to deadlines.

Initial decisions.

(b) A division, individual Commissioner, employee board, or employee delegated under section 10305 of this title to make an initial decision in a matter related to one of those rail carriers shall complete all evidentiary proceedings related to the matter by the 180th day after assignment of the matter. The initial decision shall be submitted to the Commission in writing. If evidence is submitted in writing or testimony is taken at a public hearing, the initial decision shall be submitted to the Commission in writing by the 120th day after completion of all evidentiary proceedings and shall include—

(1) specific findings of fact;

(2) specific and separate conclusions of law;

(3) an order; and

(4) justification of the findings of fact, conclusions of law, and order.

(c) The Commission, or a division designated by the Commission, may void the requirement of an initial decision under subsection (b) of this section and may require the matter to be considered by the Commission or that division on finding that the matter involves a question of Commission policy, a new or novel issue of law, or an issue of general transportation importance, or that it is required for the timely execution of its functions.

(d) In a proceeding under this section, after the parties have had at least an opportunity to submit evidence in written form, the Commission shall give them an opportunity for briefs, written statements, or conferences of the parties. A conference of the parties must be chaired by a division, an individual Commissioner, an employee board, an employee delegated to act under section 10305 of this title, or an employee designated by the Commission.

(e) Copies of an initial decision under subsection (b) of this section shall be served on the interested parties. An initial decision becomes an action of the Commission on the 20th day after it is served on the interested parties, unless—

(1) an interested party files an appeal during the 20-day period, or by the end of an additional period of not more than 20 days, if authorized by the Commission or division designated by the Commission; or

(2) the Commission stays or postpones the initial decision under subsection (g)(2) or (j) of this section within the period or additional period referred to in clause (1) of this subsection.

(f)(1) Before an initial decision becomes an action of the Commission, the Commission, or a division or board designated by the Commission, may review the initial decision on its own initiative, and shall review an initial decision if an appeal is filed under subsection (e)(1) of this section. However, a board may not decide an appeal from an initial decision if the appeal may be further appealed to the Commission. Review.

(2) An initial decision may be reviewed on the record on which it is based or by a further hearing. If an initial decision is reviewed, it shall be stayed pending final determination of the matter, and it is an action of the Commission only after the final determination is made. If an appeal is filed under subsection (e)(1) of this section, the final determination shall be made by the 180th day after the appeal is filed.

(3) Review of, or appeal from, an initial decision shall be conducted under section 557 of title 5. The Commission may prescribe rules limiting and defining the issues and pleadings on review under section 557(b) of that title. Rules.

(g)(1) The Commission may, at any time on its own initiative because of material error, new evidence, or substantially changed circumstances—

(A) reopen a proceeding;

(B) grant rehearing, reargument, or reconsideration of an action of the Commission; and

(C) change an action of the Commission.

An interested party may petition to reopen and reconsider an action of the Commission under this paragraph under regulations of the Commission. Petition.

(2) The Commission may grant a rehearing, reargument, or reconsideration of an action of the Commission that was taken by a division designated by the Commission if it finds that—

(A) the action involves a matter of general transportation importance; or

(B) the action would be affected materially because of clear and convincing new evidence or changed circumstances.

Petition.

An interested party may petition for rehearing, reargument, or reconsideration of an action of the Commission under this paragraph under regulations of the Commission. The Commission may stay an action pending a final determination under this paragraph. The Commission shall complete reconsideration and take final action by the 120th day after the petition is granted.

(h) An action of the Commission under this section and an action of a designated division under subsection (c) of this section is effective on the 30th day after service on the parties to the proceeding unless the Commission provides for it to become effective on an earlier date.

(i) Notwithstanding this subtitle, an action of the Commission under this section and an action of a designated division under subsection (c) of this section is final on the date on which it is served, and a civil action to enforce, enjoin, suspend, or set aside the action may be filed after that date.

Extensions.

(j) The Commission may extend a time period established by this section for a period of not more than 90 days. The extension shall be granted if a majority of the Commissioners agree to it by public vote.

Annual report to Congress.

The Commission shall send a written annual report to each House of Congress about extensions granted under this subsection. The report shall specify each extension granted (classified by the type of proceeding involved) together with the reasons for and duration of each extension.

(k) If an extension granted under subsection (j) of this section is not sufficient to allow for completion of necessary proceedings, the Commission may grant a further extension in an extraordinary situation if—

(1) at least 7 Commissioners agree to the further extension by public vote; and

(2) not later than the 15th day before expiration of the extension granted under subsection (j) of this section, the Commission submits a written report to the Congress that a further extension has been granted. The report shall include—

(A) a full explanation of the reasons for the further extension;

(B) the anticipated duration of the further extension;

(C) the issues involved in the matter before the Commission; and

(D) the names of personnel of the Commission working on the matter.

49 USC 10328.

§ 10328. Intervention

(a) Designated representatives of employees of a carrier may intervene and be heard in a proceeding arising under this subtitle that affects those employees.

(b) Under regulations of the Interstate Commerce Commission, reasonable notice of, and an opportunity to intervene and participate in, a proceeding under this subtitle related to transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title that is, or is proposed to be, provided in a State shall

be given to interested persons and to the authority of that State having jurisdiction to regulate transportation by motor vehicles in intrastate commerce on the highways of that State, or, if there is no such authority, to the chief executive officer of the State.

§ 10329. Service of notice in Commission proceedings

49 USC 10329.

(a)(1) A common carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title shall designate an agent in the District of Columbia, on whom service of notices in a proceeding before, and of actions of, the Commission may be made. Agent designation.

(2) A motor carrier, a broker, a water carrier, or a freight forwarder providing transportation or service subject to the jurisdiction of the Commission under subchapter II, III, or IV of chapter 105 of this title shall designate an agent by name and post office address on whom service of notices in a proceeding before, and of actions of, the Commission may be made.

(b) A designation under subsection (a) of this section shall be in writing and filed with the Commission. A motor carrier or broker providing transportation under a certificate or permit issued under this subtitle shall also file the designation with the authority of each State in which it operates having jurisdiction to regulate transportation by motor vehicle in intrastate commerce on the highways of that State. The designation may be changed at any time in the same manner as originally made.

(c) Except as otherwise provided, notices of the Commission shall be served as follows:

(1) A notice of the Commission to a rail, express, sleeping car, or pipeline carrier is served on its designated agent at the office or usual place of residence in the District of Columbia of that agent. A notice of action of the Commission shall be served immediately on the agent or in another manner provided by law. If that carrier does not have a designated agent, service may be made by posting the notice in the office of the Secretary of the Commission.

(2) A notice to a motor carrier or broker is served personally or by mail on the motor carrier or broker or its designated agent. Service by mail on the designated agent is made at the address filed for the agent. When notice is given by mail, the date of mailing is considered to be the time when the notice is served. If a motor carrier or broker does not have a designated agent, service may be made by posting a copy of the notice in the office of the secretary or clerk of the authority having jurisdiction to regulate transportation by motor vehicle in intrastate commerce on the highways of the State in which the carrier or broker maintains headquarters and in the office of the Secretary of the Commission.

(3) A notice to a water carrier or freight forwarder is served personally or by mail on the water carrier or freight forwarder or its designated agent. Service by mail on the designated agent is made at the address filed for the agent. When notice is given by mail, the date of mailing is considered to be the time when notice is served. If a water carrier or freight forwarder does not have a designated agent, service may be made by posting the notice in the office of the Secretary of the Commission.

(d) In a proceeding involving the lawfulness of classifications, rates, or practices of (1) a rail, express, sleeping car, or pipeline car-

rier that has not designated an agent under this section, or (2) a freight forwarder, service of notice of the Commission on an attorney in fact who filed the tariff for the carrier constitutes service of notice on the carrier.

(e) In a proceeding involving the lawfulness of classifications, rates, or practices—

(1) service of notice of the suspension of a tariff on an attorney in fact of a carrier or broker, except a freight forwarder, constitutes service of notice on the carrier or broker if that attorney filed the tariff and, if the carrier is a water carrier, the notice specifies the classifications, rates, or practices involved; and

(2) service of notice of the suspension of a joint tariff or schedule on a carrier or a broker, except a freight forwarder, that filed that tariff or schedule to which another carrier or broker is a party and, if the carrier is a water carrier, the notice specifies the classifications, rates, or practices involved, constitutes service of notice on all carriers or brokers that are parties to the joint tariff.

Service of notice under this subsection may be made by mail on that attorney or carrier at the address shown in the tariff.

49 USC 10330.

§ 10330. Service of process in court proceedings

Agent designation.

(a) A common carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title shall designate an agent in the District of Columbia on whom service of process in an action before a district court may be made. Except as otherwise provided, process in an action before a district court shall be served on the designated agent of that carrier at the office or usual place of residence in the District of Columbia of that agent. If the carrier does not have a designated agent, service may be made by posting the notice in the office of the Secretary of the Commission.

(b) A motor carrier or broker providing transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title, including a motor carrier or broker operating within the United States while providing transportation between places in a foreign country or between a place in one foreign country and a place in another foreign country, shall designate an agent in each State in which it operates by name and post office address on whom process issued by a court with subject matter jurisdiction may be served in an action brought against that carrier or broker. The designation shall be in writing and filed with the Commission and with the authority of each State in which the motor carrier or broker operates having jurisdiction to regulate transportation by motor vehicle in intrastate commerce on the highways of that State. If a designation under this subsection is not made, service may be made on any agent of the carrier or broker within that State.

(c) A designation under this section may be changed at any time in the same manner as originally made.

SUBCHAPTER III—JOINT BOARDS

49 USC 10341.

§ 10341. Jurisdiction

(a) The Interstate Commerce Commission may refer a matter related to motor carriers providing, or brokers for, transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title, to a joint board established under section 10342 of

this title for action. When the operation of a motor carrier or broker involves not more than 3 States, the Commission shall refer the following matters to a joint board for action when an opportunity for a proceeding is required or when the Commission finds that it is desirable:

(1) an application for a certificate, permit, or license.

(2) a suspension, change, or revocation of a certificate, permit, or license.

(3) an application for approval and authorization of a consolidation, merger, or acquisition of control or of an operating contract.

(4) a complaint about a violation by a motor carrier or broker of a requirement established under section 10321(a), 10525, 11101 (b), or 11142(b) of this title.

(5) a complaint about rates of motor carriers or practices of brokers. *Post*, pp. 1419, 1425.

(b) Notwithstanding subsection (a) of this section, if the Commission is prevented by legal proceedings from referring a matter to a joint board, the Commission may determine the matter under subchapter II of this chapter.

§ 10342. Establishment 49 USC 10342.

(a) The Interstate Commerce Commission may establish and abolish joint boards as necessary to carry out section 10341 of this title. Except as provided in this section, a joint board is composed of a member from each State in which transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title is, or is proposed to be, provided. The Commission may appoint an individual nominated under subsection (b) of this section as a member of a joint board. Membership.

(b) The member of a joint board from a State shall be nominated by the State authority having jurisdiction to regulate intrastate transportation by motor vehicle on the highways of that State. If there is no such authority in that State or if that authority does not nominate a member when requested by the Commission, the chief executive officer of the State may nominate the member. If both that State authority and the chief executive officer of that State do not nominate a member when requested, the board is constituted without a member from that State if the Commission has appointed members for at least 2 other States to the board.

(c) When a matter required to be referred to a joint board involves the operation of a motor carrier in or through a place outside the United States, if only one State is involved or if only one State nominates an individual to be a member of the joint board, that State may nominate and the Commission may appoint not more than 3 members to the board.

(d) A substitution in the membership of a joint board may be made at any time in the same manner as an initial nomination and appointment under this section.

§ 10343. Powers 49 USC 10343.

(a) When conducting a proceeding involving a matter referred under section 10341 of this title, a joint board may make an initial decision under section 10322 of this title. Subchapter II of this chapter applies to an initial decision of a joint board. However, a joint board may report to the Interstate Commerce Commission its conclusions on evidence received without making an initial decision. When a joint board makes a report instead of an initial decision, the Commission Report.

shall decide the matter. The Commission may consider the conclusions of the joint board in making its decision.

(b) A joint board may make an initial decision or report of its conclusions only by a majority vote. However, if only one member of the board participates in the proceeding, that member shall make the initial decision alone.

Waiver.

(c) When a member of a joint board does not participate in a proceeding referred to that board, after notice of the proceeding, the State from which that member was appointed waives its right to act in that proceeding. The waiver does not affect the duty or power of remaining members of the board to continue the proceeding and make an initial decision.

(d) In addition to decisions made under subsection (a) of this section, the Commission shall decide a matter referred to a joint board when—

(1) the authority of each State from which a member of the board may be appointed waives action on a matter referred to that board;

(2) a joint board does not act, or cannot agree, on a matter referred to it in 45 days after the matter is referred to it (or in another period authorized by the Commission); or

(3) a member is nominated for only one State, except as provided in section 10342(c) of this title.

49 USC 10344.

§ 10344. Administration

(a) Meetings and procedures of joint boards shall be conducted under regulations of the Interstate Commerce Commission. The Commission may designate an employee appointed under section 3105 of title 5 to advise and assist a joint board.

(b) When practicable and when directed by the Commission, a proceeding involving a matter referred to a joint board shall be held at a place in the United States that is convenient to the parties to the proceeding.

(c) The members of joint boards and employees designated to advise and assist them under subsection (a) of this section may administer oaths, subpena witnesses and the production of records, and take depositions under section 10321 of this title related to matters referred to the boards.

Travel expenses.

(d) When carrying out this subtitle, members of joint boards shall receive an allowance for travel and subsistence expenses as the Commission shall provide.

Conflict of interest, prohibition.

(e) A member of a joint board may not have a pecuniary interest in, hold an official relation to, or own securities of, a carrier providing transportation by any mode.

Facilities.

(f) The Administrator of General Services shall assign space and facilities in the Interstate Commerce Commission building not required by the Commission for the use of the national organization of the State commissions and their representatives. The space and facilities shall be available for the use of joint boards and for members and representatives of those boards cooperating with the Commission or with another department, agency, or instrumentality of the United States Government. If suitable space is not available in the Interstate Commerce Commission building, the Administrator shall assign space in another building in convenient proximity to it.

SUBCHAPTER IV—RAIL SERVICES PLANNING OFFICE

§ 10361. Organization

49 USC 10361.

The Rail Services Planning Office is an office in the Interstate Commerce Commission.

§ 10362. Duties

49 USC 10362.

(a) In this section—

Definitions.

(1) "avoidable costs of providing transportation", "reasonable management fee", "reasonable return on the value", and "revenue attributable to the rail properties" have the same meanings as they have when used in section 744 of title 45.

(2) "avoidable cost of providing rail freight transportation" has the same meaning as it has when used in section 10905(b)(2)(A) of this title.

(b) The Rail Services Planning Office shall—

Post, p. 1405.

Assistance.

(1) assist the Interstate Commerce Commission in studying and evaluating proposals, submitted to the Commission under subchapter III of chapter 113 of this title for a merger, consolidation, unification, or coordination project, joint use of tracks or other facilities, or acquisition or sale of assets involving a rail carrier subject to this subtitle;

Post, p. 1434.

(2) assist the Commission in developing, with respect to economic regulation of transportation, policies likely to result in a more competitive, energy-efficient, and coordinated transportation system using each mode of transportation to its maximum advantage to meet the transportation needs of the United States;

(3) assist States and local and regional transportation authorities in deciding whether to provide rail transportation continuation subsidies to continue in operation particular rail properties, by establishing criteria for determining whether particular rail properties are suitable for rail transportation continuation subsidies;

Criteria.

(4) conduct continuously an analysis of the national rail transportation needs, evaluate the policies, plans, and programs of the Commission on the basis of the analysis, and advise the Commission of the results of the evaluation;

Analysis and evaluation.

(5) maintain regulations that contain—

Regulations.

(A) standards for the computation of subsidies for rail passenger service (except passenger transportation compensation disputes subject to the jurisdiction of the Commission under section 562(a) of title 45) that are consistent with the compensation principles described in the final system plan established under the Regional Rail Reorganization Act of 1973 (87 Stat. 985), as amended, and which avoid cross-subsidization among commuter, intercity, and freight rail transportation; and

45 USC 701 note.

(B) standards for determining emergency commuter rail passenger transportation operating payments under section 1613 of this title;

49 USC 1613.

(6) maintain, and from time to time revise and republish after a proceeding under section 553 of title 5, standards for determining the revenue attributable to the rail properties, the avoidable costs of providing transportation, a reasonable return on the value, and a reasonable management fee;

(7) maintain regulations that—

Accounting system.

(A) develop an accounting system permitting the collection and publication by the Consolidated Rail Corporation or by profitable rail carriers providing transportation over lines scheduled for abandonment, of information necessary for an accurate determination of the attributable revenues, avoidable costs, and operations of light density lines as operating and economic units; and

(B) determine the avoidable cost of providing rail freight transportation; and

(8) carry out other duties conferred on the Office by law.

(c) The criteria referred to in subsection (b)(3) of this section shall provide that rail properties are suitable for rail transportation continuation subsidies if the cost of the required subsidy to the taxpayers for the properties each year is less than—

(1) the cost of termination of rail transportation over the properties measured by increased fuel consumption and operational costs for alternative modes of transportation;

(2) the cost to the gross national product in terms of reduced output of goods and services;

(3) the cost of relocating or assisting, through unemployment, retraining, and welfare benefits, individuals and firms adversely affected if the rail transportation is terminated; and

(4) the cost to the environment measured by damage caused by increased pollution.

(d) The Office may at any time revise and republish the standards and regulations required by this section to incorporate changes made necessary by the accounting system developed under subsection (b)(7) of this section.

49 USC 10363.

§ 10363. Director

(a) The Director is the head of the Rail Services Planning Office and is responsible for administering and carrying out the duties of the Office.

(b) The Director is appointed for a term of 6 years by the Chairman of the Interstate Commerce Commission with the concurrence of at least 5 members of the Commission. The Director may be removed by the Commission only for cause.

(c) The Director is appointed without regard to those provisions of title 5 governing appointments in the competitive service and is paid without regard to chapter 51 and subchapter III of chapter 53 of title 5. However, the annual rate of basic pay of the Director may not exceed the rate for GS–18.

5 USC 5101 *et seq.*, 5331.

(d) The Director is subject to the direction of, and shall report to, a Commissioner or the Chairman, as designated by the Chairman.

49 USC 10364.

§ 10364. Powers

(a) With the concurrence of the Commissioner designated under section 10363(d) of this title or, if the Director of the Rail Services Planning Office and the Commissioner disagree (and that Commissioner is not the Chairman), with the concurrence of the Chairman of the Commission, the Director may enter into agreements or other transactions necessary to carry out the duties of the Office. The transactions may be entered into with any person, including a governmental authority, and without regard to section 5 of title 41.

(b) On written request of the Director for assistance, each department, agency, and instrumentality of the United States Government

shall consider the request, and may furnish assistance the Director considers necessary to carry out the duties of the Office. Assistance may be furnished on a reimbursable or nonreimbursable basis. Assistance includes the transfer of an officer or employee, with the consent, and without prejudice to the position and rating, of the officer or employee.

SUBCHAPTER V—OFFICE OF RAIL PUBLIC COUNSEL

§ 10381. Organization

49 USC 10381.

The Office of Rail Public Counsel is an independent office affiliated with the Interstate Commerce Commission.

§ 10382. Duties; standing

49 USC 10382.

(a) The Office of Rail Public Counsel—

(1) may petition the Interstate Commerce Commission to begin a proceeding on a matter within the jurisdiction of the Commission involving a rail carrier subject to this subtitle;

(2) may seek judicial review of Commission action on a matter involving a rail carrier providing transportation subject to this subtitle, to the extent, and on the same basis, that a person may seek judicial review;

(3) shall solicit, study, evaluate, and present before an informal or formal proceeding of the Commission, the views of those communities and users of rail transportation affected by a proceeding begun by, or pending before, the Commission, when the Director of the Office determines, for whatever reason (such as size or location), that any such community or user might not otherwise be represented adequately at the proceeding;

(4) shall—

(A) before the Commission and other departments, agencies, and instrumentalities of the United States Government when the policies and activities of any such department, agency, or instrumentality affect rail transportation subject to the jurisdiction of the Commission, evaluate and represent the public interest in safe, efficient, reliable, and economical rail transportation; and

(B) assist in constructively representing that public interest by other means;

(5) in carrying out its duties under clauses (1)–(4) of this subsection, shall assist the Commission in developing a public interest record in proceedings before the Commission; and

(6) shall carry out other duties conferred on the Office by law.

(b) The Office has standing as a party to any informal or formal proceeding that is pending or begun before the Commission involving a rail carrier providing transportation subject to this subtitle.

§ 10383. Director

49 USC 10383.

(a) The Director is the head of the Office of Rail Public Counsel and is responsible for administering and carrying out the duties of the Office.

(b) The Director is appointed by the President, by and with the advice and consent of the Senate, for a term of 4 years.

(c) The Director is paid without regard to chapter 51 and subchapter III of chapter 53 of title 5. However, the annual rate of basic pay of the Director may not exceed the rate for GS–18.

5 USC 5101 *et seq.*, 5331.
3 CFR 1978 Comp., p. 236
5 USC 5332 note.

49 USC 10384.

§ 10384. Office staff

The Director of the Office of Rail Public Counsel may—

(1) appoint and fix the pay of employees of the Office; and

(2) procure under section 3109 of title 5 the temporary or intermittent services of experts and consultants.

49 USC 10385.

§ 10385. Powers

(a) Without regard to section 5 of title 41, the Director of the Office of Rail Public Counsel may enter into agreements or other transactions necessary to carry out the duties of the Office.

(b) On request of the Director for information, each department, agency, and instrumentality of the United States Government may furnish the information requested.

49 USC 10386.

§ 10386. Reports

The Director of the Office of Rail Public Counsel shall submit each month to the Chairman of the Interstate Commerce Commission a report on the activities of the Office for the preceding month. In its annual report to Congress, the Commission shall include its evaluation and recommendations with respect to the activities, accomplishments, and shortcomings of the Office.

49 USC 10387.

§ 10387. Budget requests and estimates

The Office of Rail Public Counsel shall submit its budget requests and budget estimates concurrently to Congress and to the President.

49 USC 10388.

§ 10388. Authorizations of appropriations

Not more than $1,000,000 may be appropriated to the Office of Rail Public Counsel for the fiscal year ending September 30, 1978, to carry out this subchapter.

CHAPTER 105—JURISDICTION

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Sec.

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10562. Exempt freight forwarder service.

SUBCHAPTER I—RAIL, RAIL-WATER, EXPRESS, AND PIPELINE CARRIER TRANSPORTATION

§ 10501. General jurisdiction

49 USC 10501.

(a) Subject to this chapter and other law, the Interstate Commerce Commission has jurisdiction over transportation—

(1) by rail carrier, express carrier, sleeping car carrier, water common carrier, and pipeline carrier that is—

(A) only by railroad;

(B) by railroad and water, when the transportation is under common control, management, or arrangement for a continuous carriage or shipment; or

(C) by pipeline or by pipeline and railroad or water when transporting a commodity other than water, gas, or oil; and

(2) to the extent the transportation is in the United States and is between a place in—

(A) a State and a place in another State;

(B) the District of Columbia and another place in the District of Columbia;

(C) a State and a place in a territory or possession of the United States;

(D) a territory or possession of the United States and a place in another such territory or possession;

(E) a territory or possession of the United States and another place in the same territory or possession;

(F) the United States and another place in the United States through a foreign country; or

(G) the United States and a place in a foreign country.

(b) The Commission does not have jurisdiction under subsection (a) of this section over—

(1) the transportation of passengers or property, or the receipt, delivery, storage, or handling of property, entirely in a State (other than the District of Columbia) and not transported between a place in the United States and a place in a foreign country except as otherwise provided in this subtitle; or

(2) transportation by a water common carrier when that transportation would be subject to this subchapter only because the water common carrier absorbs, out of its port-to-port water rates or out of its proportional through rates, a switching, terminal, lighterage, car rental, trackage, handling, or other charge by a rail carrier for services in the switching, drayage, lighterage, or corporate limits of a port terminal or district.

(c) This subtitle does not affect the power of a State, in exercising its police power, to require reasonable intrastate transportation by carriers providing transportation subject to the jurisdiction of the Commission under this subchapter unless the State requirement is inconsistent with an order of the Commission issued under this subtitle or is prohibited under this subtitle.

49 USC 10502.

§ 10502. Express carrier transportation

The Interstate Commerce Commission has jurisdiction under this subchapter, and not under subchapter II or III of this chapter, over transportation of an express carrier—

(1) by motor vehicle, to the extent the transportation was subject to the jurisdiction of the Commission on September 18, 1940, under part I of the Interstate Commerce Act (24 Stat. 379), as amended; and

49 USC prec. 1 note.

(2) by water in providing express transportation.

49 USC 10503.

§ 10503. Railroad and water transportation connections and rates

Jurisdiction.

(a) When a rail carrier and a water common carrier may or do provide jointly, transportation, not entirely in one State from a place in the United States to another place in the United States, even if part of the transportation is outside the United States, the Interstate Commerce Commission has the following jurisdiction over that transportation:

(1) To establish a physical connection between the railroad lines of the rail carrier and the dock at which an interchange is to be made, the Commission may—

(A) require the rail carrier to make a suitable connection between its lines and tracks that have been constructed from the dock to the limits of the railroad right-of-way;

(B) subject to the same restrictions on findings of public convenience and necessity and other matters that are imposed on construction under sections 10901, 10902, and 10907 of this title, require the rail carrier or water common carrier, or both, to construct to the dock at least one track connecting with the lines of the rail carrier;

Post, pp. 1402, 1403, 1407.

(C) determine and prescribe the conditions under which a connecting track is to be operated; and

(D) in the construction or operation of the track, determine the sum to be paid to, or by, either carrier.

(2) The Commission may—

(A) prescribe proportional rates, maximum proportional rates, minimum proportional rates, or maximum and minimum proportional rates, of a rail carrier to and from the ports to which the passengers or property is transported by the water common carrier; and

(B) determine the passengers, property, vessels, and on which conditions those rates apply.

"Proportional rates."

In this paragraph, "proportional rates" means those rates that differ from the corresponding local rates to and from a port and apply only to passengers or property brought to the port or carried from the port by a water common carrier.

Hearing.

(b) The Commission may act under this section only after a full hearing. An order entered as the result of an action may be conditioned on giving security for the payment of an amount of money or the discharge of an obligation that is required to be paid or discharged under that order.

49 USC 10504.

§ 10504. Exempt rail mass transportation

(a) In this section—

"Local public body."

(1) "local public body"—

(A) has the same meaning given that term by section 1608(c)(2) of this title; and

(B) includes a person or entity that contracts with the local public body to provide transportation services.

(2) "rail mass transportation" means transportation services described in section 1608(c)(5) of this title that are provided by rail. "Rail mass transportation." 49 USC 1608.

(b) The Interstate Commerce Commission does not have jurisdiction under this subtitle over rail mass transportation provided by a local public body if— Jurisdiction.

(1) the Commission would have jurisdiction but for this section; and

(2) the fares of the local public body, or its authority to apply to the Commission for changes in those fares, is subject to the approval or disapproval of the chief executive officer of the State in which the transportation is provided.

§ 10505. Authority to exempt rail carrier transportation 49 USC 10505.

(a) In a matter related to a rail carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under this subchapter, the Commission shall exempt a person, class of persons, or a transaction or service because of the limited scope of the transaction or service, when the Commission finds that the application of a provision of this subtitle—

(1) is not necessary to carry out the transportation policy of section 10101 of this title; *Ante*, p. 1337.

(2) would be an unreasonable burden on a person, class of persons, or interstate and foreign commerce; and

(3) would serve little or no useful public purpose.

(b) The Commission may begin a proceeding under this section on its own initiative or on application by the Secretary of Transportation or an interested party. The Commission may specify the period of time during which the exemption is effective.

(c) The Commission may revoke an exemption, to the extent it specifies, when it finds that application of a provision of this subtitle to the person, class, or transportation is necessary— Revocation.

(1) to carry out the transportation policy of section 10101 of this title;

(2) to achieve effective regulation by the Commission; and

(3) to serve a useful public purpose.

(d) The Commission may act under this section only after an opportunity for a proceeding.

SUBCHAPTER II—MOTOR CARRIER TRANSPORTATION

§ 10521. General jurisdiction 49 USC 10521.

(a) Subject to this chapter and other law, the Interstate Commerce Commission has jurisdiction over transportation by motor carrier and the procurement of that transportation to the extent that passengers, property, or both, are transported by motor carrier—

(1) between a place in—

(A) a State and a place in another State;

(B) a State and another place in the same State through another State;

(C) the United States and a place in a territory or possession of the United States to the extent the transportation is in the United States;

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(D) the United States and another place in the United States through a foreign country to the extent the transportation is in the United States; or

(E) the United States and a place in a foreign country to the extent the transportation is in the United States; and

(2) in a reservation under the exclusive jurisdiction of the United States or on a public highway.

(b) This subtitle does not—

(1) affect the power of a State to regulate intrastate transportation provided by a motor carrier;

(2) authorize the Commission to prescribe or regulate a rate for intrastate transportation provided by a motor carrier;

(3) allow a motor carrier to provide intrastate transportation on the highways of a State; or

Post, p. 1446.

(4) except as provided in section 11504(b) of this title, affect the taxation power of a State over a motor carrier.

49 USC 10522.

§ 10522. Exempt transportation between Alaska and other States

To the extent that transportation by a motor carrier between a place in Alaska and a place in another State under section 10521 of this title is provided in a foreign country—

(1) the Interstate Commerce Commission does not have jurisdiction to impose a requirement over conduct of the motor carrier in the foreign country conflicting with a requirement of that country; but

(2) the motor carrier, as a condition of providing transportation in the United States, shall comply, with respect to all transportation provided between Alaska and the other State, with the requirements of this subtitle related to rates and practices applicable to the transportation.

49 USC 10523.

§ 10523. Exempt motor vehicle transportation in terminal areas

(a)(1) The Interstate Commerce Commission does not have jurisdiction under this subchapter over transportation by motor vehicle provided in a terminal area when the transportation—

(A) is a transfer, collection, or delivery;

(B) is provided by—

(i) a rail carrier subject to the jurisdiction of the Commission under subchapter I of this chapter;

(ii) a water carrier subject to the jurisdiction of the Commission under subchapter III of this chapter; or

(iii) a freight forwarder subject to the jurisdiction of the Commission under subchapter IV of this chapter; and

(C) is incidental to transportation provided by the carrier or service provided by the freight forwarder that is subject to the jurisdiction of the Commission under any of those subchapters.

(2) Transportation exempt from the jurisdiction of the Commission under paragraph (1) of this subsection is subject to the jurisdiction of the Commission under subchapter I of this chapter when provided by such a rail carrier, under subchapter III of this chapter when provided by such a water carrier, and under subchapter IV of this chapter when provided by such a freight forwarder.

(b)(1) Except to the extent provided in paragraph (2) of this subsection, the Commission does not have jurisdiction under this subchapter over transportation by motor vehicle provided in a terminal area when the transportation—

(A) is a transfer, collection, or delivery; and

(B) is provided by a person as an agent or under other arrangement for—

(i) a rail carrier or express carrier subject to the jurisdiction of the Commission under subchapter I of this chapter;

(ii) a motor carrier subject to the jurisdiction of the Commission under this subchapter;

(iii) a water carrier subject to the jurisdiction of the Commission under subchapter III of this chapter; or

(iv) a freight forwarder subject to the jurisdiction of the Commission under subchapter IV of this chapter.

(2) Transportation exempt from the jurisdiction of the Commission under paragraph (1) of this subsection is considered transportation provided by the carrier or service provided by the freight forwarder for whom the transportation was provided and is subject to the jurisdiction of the Commission under subchapter I of this chapter when provided for such a rail carrier or express carrier, under this subchapter when provided for such a motor carrier, under subchapter III of this chapter when provided for such a water carrier, and under subchapter IV of this chapter when provided for such a freight forwarder.

§ 10524. Transportation furthering a primary business 49 USC 10524.

The Interstate Commerce Commission does not have jurisdiction under this subchapter over the transportation of property by motor vehicle when—

(1) the property is transported by a person engaged in a business other than transportation; and

(2) the transportation is within the scope of, and furthers a primary business (other than transportation) of the person.

§ 10525. Exempt motor carrier transportation entirely in one State 49 USC 10525.

(a) The Interstate Commerce Commission shall exempt transportation of a motor carrier subject to the jurisdiction of the Commission under this subchapter from compliance with this subtitle when—

(1) the motor carrier provides transportation entirely in one State; and

(2) the Commission finds that the nature or quantity of transportation provided by the motor carrier does not substantially affect or impair uniform regulation by the Commission of motor carrier transportation in carrying out the transportation policy of section 10101 of this title. *Ante*, p. 1337.

(b) The Commission may begin a proceeding under this section on its own initiative or on application of a motor carrier, a State authority having jurisdiction to regulate intrastate transportation by motor vehicle on the highways of that State, or an interested party. An application must be under oath and must contain information required by Commission regulation. The Commission may exempt the transportation by motor carrier or class of motor carriers. When an exemption is granted, the Commission shall issue a certificate of exemption describing the conditions required by the public interest under which the certificate is issued. Proceedings. Exemption certificate.

(c) When an application for exemption is accompanied by a certificate of the authority of the State in which the applicant provides transportation stating the finding of the State authority that the applicant is entitled to a certificate of exemption under this section, the exemption is effective on the 60th day after the application is filed with the Commission unless the Commission denies the application before

that date. If not denied before that date, the exemption remains effective until the Commission thereafter denies or revokes it.

Revocation.

(d) The Commission may revoke any part of an exemption granted under this section when it finds that the nature or quantity of the transportation by the motor carrier or class of motor carriers is, or is likely substantially to affect or impair uniform regulation by the Commission of motor carrier transportation in carrying out the transportation policy of section 10101 of this title. If the exemption is revoked, the Commission shall restore without further proceedings the authority any such motor carrier had to provide transportation subject to the jurisdiction of the Commission under this subchapter at the time the exemption was effective.

Ante, p. 1337.

(e) State regulation of the operations of a motor carrier covered by an exemption under this section is not a burden on interstate or foreign commerce.

49 USC 10526.

§ 10526. Miscellaneous motor carrier transportation exemptions

(a) The Interstate Commerce Commission does not have jurisdiction under this subchapter over—

(1) a motor vehicle transporting only school children and teachers to or from school;

(2) a motor vehicle providing taxicab service and having a capacity of not more than 6 passengers and is not operated on a regular route or between specified places;

(3) a motor vehicle owned or operated by or for a hotel and only transporting hotel patrons between the hotel and the local station of a common carrier;

(4) a motor vehicle controlled and operated by a farmer and transporting—

(A) the farmer's agricultural or horticultural commodities and products; or

(B) supplies to the farm of the farmer;

(5) a motor vehicle controlled and operated by a cooperative association (as defined by section 1141j(a) of title 12) or by a federation of cooperative associations if the federation has no greater power or purposes than a cooperative association, except that if the cooperative association or federation provides transportation for compensation between a place in a State and a place in another State, or between a place in a State and another place in the same State through another State—

(A) for a nonmember that is not a farmer, cooperative association, federation, or the United States Government, the transportation (except for transportation otherwise exempt under this subchapter)—

(i) shall be limited to transportation incidental to the primary transportation operation of the cooperative association or federation and necessary for its effective performance;

(ii) may not exceed in each fiscal year 15 percent of the total transportation of the cooperative association or federation between those places, measured by tonnage; and

(iii) shall be provided only after the cooperative association or federation notifies the Commission of its intent to provide the transportation; and

(B) the transportation for all nonmembers may not exceed in each fiscal year, measured by tonnage, the total transporta-

tion between those places for the cooperative association or federation and its members during that fiscal year;

(6) a motor vehicle carrying, for compensation, only property and that property consists of —

(A) ordinary livestock;

(B) agricultural or horticultural commodities (other than manufactured products thereof);

(C) commodities listed as exempt in the Commodity List incorporated in ruling numbered 107, March 19, 1958, Bureau of Motor Carriers, Interstate Commerce Commission, other than frozen fruits, frozen berries, frozen vegetables, cocoa beans, coffee beans, tea, bananas, or hemp, or wool imported from a foreign country, wool tops and noils, or wool waste (carded, spun, woven, or knitted); and

(D) cooked or uncooked fish, whether breaded or not, or frozen or fresh shellfish, other than fish or shellfish that have been treated for preserving, such as canned, smoked, pickled, spiced, corned, or kippered products;

(7) a motor vehicle used only to distribute newspapers;

(8) transportation by motor vehicle incidental to transportation by aircraft; or

(9) the operation of a motor vehicle in a national park or national monument.

(b) Except to the extent the Commission finds it necessary to exercise jurisdiction to carry out the transportation policy of section 10101 of this title, the Commission does not have jurisdiction under this subchapter over— *Ante*, p. 1337.

(1) transportation provided entirely in a municipality, in contiguous municipalities, or in a zone that is adjacent to, and commercially a part of, the municipality or municipalities, except—

(A) when the transportation is under common control, management, or arrangement for a continuous carriage or shipment to or from a place outside the municipality, municipalities, or zone; or

(B) that in transporting passengers over a route between a place in a State and a place in another State, or between a place in a State and another place in the same State through another State, the transportation is exempt from the jurisdiction of the Commission only if the motor carrier operating the motor vehicle also is lawfully providing intrastate transportation of passengers over the entire route under the laws of each State through which the route runs;

(2) transportation by motor vehicle provided casually, occasionally, or reciprocally but not as a regular occupation or business, except when a broker or other person sells or offers for sale passenger transportation provided by a person authorized to transport passengers by motor vehicle under an application pending, or certificate or permit issued, under this subtitle; or

(3) the emergency towing of an accidentally wrecked or disabled motor vehicle.

SUBCHAPTER III—WATER CARRIER TRANSPORTATION

§ 10541. General jurisdiction

49 USC 10541.

(a) Subject to this chapter and other law, the Interstate Commerce Commission has jurisdiction over transportation insofar as water carriers are concerned—

(1) by water carrier between a place in a State and a place in another State, even if part of the transportation is outside the United States;

(2) by water carrier and rail carrier or motor carrier from a place in a State to a place in another State, except that if part of the transportation is outside the United States, the Commission only has jurisdiction over that part of the transportation provided—

(A) by rail carrier or motor carrier that is in the United States; and

(B) by water carrier that is from a place in the United States to another place in the United States; and

(3) by water carrier or by water carrier and rail carrier or motor carrier between a place in the United States and a place outside the United States, to the extent that—

(A) when the transportation is by rail carrier or motor carrier, the transportation is provided in the United States;

(B) when the transportation is by water carrier to a place outside the United States, the transportation is provided by water carrier from a place in the United States to another place in the United States before transshipment from a place in the United States to a place outside the United States; and

(C) when the transportation is by water carrier from a place outside the United States, the transportation is provided by water carrier from a place in the United States to another place in the United States after transshipment to a place in the United States from a place outside the United States.

(b) If transportation by a carrier would be subject to the jurisdiction of the Commission under both subsection (a) of this section and subchapter I of this chapter, then that transportation is subject to the jurisdiction of the Commission under subsection (a) of this section. However, that transportation is also subject to the jurisdiction of the Commission under subchapter I of this chapter to the extent that this subtitle imposes requirements on transportation by carriers subject to the jurisdiction of the Commission under subchapter I that are not imposed on transportation by carriers subject to the jurisdiction of the Commission under subsection (a) of this section.

(c) This subtitle does not—

(1) affect the power of a State to regulate intrastate transportation provided by a water carrier; or

(2) authorize the Commission to prescribe or regulate a rate for intrastate transportation by a water carrier.

49 USC 10542.

§ 10542. Exempt bulk transportation

(a)(1) The Interstate Commerce Commission does not have jurisdiction under this subchapter over transportation by a water carrier of commodities in bulk that, under an existing custom of the trade in the handling and transportation of commodities in bulk as of June 1, 1939—

(A) are loaded and carried without wrappers or containers; and

(B) are received and delivered by the carrier without transportation mark or count.

(2) This subsection does not apply to transportation subject to chapter 23A of title 46 on September 18, 1940. 46 USC 843 *et seq.*

(b) The Commission does not have jurisdiction under this subchapter over transportation by a water contract carrier of commodities in bulk in a non-oceangoing vessel on a normal voyage during which—

(1) the cargo space of the vessel is used for carrying not more than 3 commodities in bulk; and

(2) the vessel passes in or through waters that are international for navigational purposes by a treaty to which the United States is a party.

(c) The Commission does not have jurisdiction under this subchapter over transportation by water carrier of liquid cargoes in bulk in tank vessels—

(1) designed exclusively for transporting such a cargo; and

(2) certified under regulations of the Secretary of Transportation under section 391a of title 46.

§ 10543. Exempt incidental water transportation 49 USC 10543.

(a)(1) The Interstate Commerce Commission does not have jurisdiction under this subchapter when the transportation—

(A)(i) is provided in a terminal area and is a transfer, collection, or delivery; or

(ii) is flotage, car ferrying, lighterage, or towage;

(B) is provided by—

(i) a rail carrier subject to the jurisdiction of the Commission under subchapter I of this chapter; or

(ii) a motor carrier subject to the jurisdiction of the Commission under subchapter II of this chapter; and

(C) is incidental to transportation provided by the carrier subject to the jurisdiction of the Commission under either of those subchapters.

(2) Transportation exempt from the jurisdiction of the Commission under paragraph (1) of this subsection is subject to the jurisdiction of the Commission under subchapter I of this chapter when provided by such a rail carrier and under subchapter II of this chapter when provided by such a motor carrier.

(b)(1) Except to the extent provided in paragraph (2) of this subsection, the Commission does not have jurisdiction under this subchapter over transportation by water when the transportation—

(A)(i) is provided in a terminal area and is a transfer, collection, or delivery; or

(ii) is flotage, car ferrying, lighterage, or towage; and

(B) is provided by a person as an agent or under other arrangement for—

(i) a rail carrier or express carrier subject to the jurisdiction of the Commission under subchapter I of this chapter;

(ii) a motor carrier subject to the jurisdiction of the Commission under subchapter II of this chapter; or

(iii) a water carrier subject to the jurisdiction of the Commission under this subchapter.

(2) Transportation exempt from the jurisdiction of the Commission under paragraph (1) of this subsection is considered transportation provided by the carrier for whom the transportation was provided and is subject to the jurisdiction of the Commission under subchapter I of this chapter when provided for such a rail carrier

or express carrier, under subchapter II of this chapter when provided for such a motor carrier, and under this subchapter when provided for such a water carrier.

49 USC 10544.

§ 10544. Miscellaneous water carrier transportation exemptions

(a) Except to the extent the Interstate Commerce Commission finds it necessary to exercise jurisdiction to carry out the transportation policy of section 10101 of this title, the Commission does not have jurisdiction under this subchapter over transportation by water carrier when the transportation is provided—

Ante, p. 1337.

(1) entirely in one harbor or between places in contiguous harbors, other than transportation under common control, management, or arrangement for a continuous carriage or shipment to or from a place outside the limits of the harbor or the contiguous harbors;

(2) by a vessel of not more than 100 tons carrying capacity or 100 indicated horsepower;

(3) by a vessel carrying only passengers and equipped to carry not more than 16 passengers;

(4) by a ferry;

(5) by a water carrier transporting equipment of contractors used, or to be used, in construction or repair for the water carrier; or

(6) to carry out salvage operations.

(b) The Commission may exempt from its jurisdiction under this subchapter the transportation of passengers between places in the United States through a foreign port when the Commission finds its jurisdiction is not necessary to carry out the transportation policy of section 10101 of this title. The Commission may begin a proceeding under this subsection on its own initiative or on application of an interested party.

Proceeding.

(c) The Commission shall exempt from its jurisdiction under this subchapter the transportation of commodities by water contract carrier when the Commission finds that the transportation is not actually and substantially competitive with transportation provided by a carrier subject to the jurisdiction of the Commission under subchapter I or II of this chapter because of the inherent nature of the commodities transported, their requirement of special equipment, or their shipment in bulk. The Commission may prescribe conditions applicable to an exemption under this subsection. The Commission may begin a proceeding under this subsection on application of a water contract carrier.

Conditions.
Proceeding.

(d) (1) The Commission does not have jurisdiction under this subtitle over transportation by a water common carrier provided between the 48 contiguous States and Alaska if, before January 3, 1959—

(A) the carrier provided that transportation, was also a motor common carrier, and has continued to provide the transportation since before that date; and

(B) the transportation was subject to chapters 23 and 23A of title 46.

46 USC 801 *et seq.*, 843 *et seq.*

(2) The transportation remains subject to the jurisdiction of the Federal Maritime Commission.

(e) The Commission shall exempt the transportation of property on a vessel furnished by a water contract carrier to a person not a carrier providing transportation or service subject to the jurisdiction of the Commission under this subtitle when the person uses the vessel to trans-

port its own property and the Commission finds its jurisdiction is not necessary to carry out the transportation policy of section 10101 of this title. The Commission may begin a proceeding under this section on its own initiative or on application of an interested party. The Commission may exempt the transportation by person or class of persons. The Commission shall specify the period of time during which the exemption is effective. The Commission may revoke the exemption when it finds that its jurisdiction over the transportation of the property is necessary to carry out the transportation policy of section 10101. The Commission may deny or revoke an exemption only after an opportunity for a proceeding.

Ante, p. 1337.
Proceeding.

(f) (1) The Commission shall exempt the transportation of property by a water carrier under this subchapter when the Commission finds that the carrier is transporting only the property of a person owning substantially all of the voting stock of the carrier. When an exemption is granted, the Commission shall issue a certificate of exemption. The Commission may begin a proceeding under this subsection on its own initiative or on application of an interested party.

Exemption certificate.
Proceeding.

(2) The Commission may revoke an exemption granted under this subsection when it finds the water carrier is no longer entitled to the exemption. If the exemption is revoked, the Commission shall restore without further proceedings the authority the water carrier had to provide transportation subject to the jurisdiction of the Commission under this subchapter at the time the exemption became effective.

Revocation.

SUBCHAPTER IV—FREIGHT FORWARDER SERVICE

§ 10561. General jurisdiction

49 USC 10561.

(a) Subject to this chapter and other law, the Interstate Commerce Commission has jurisdiction over service that a freight forwarder—

(1) undertakes to provide; or

(2) is authorized or required under this subtitle to provide;

to the extent transportation is provided in the United States and is between—

(A) a place in a State and a place in another State, even if part of the transportation is outside the United States;

(B) a place in a State and another place in the same State through a place outside the State; or

(C) a place in the United States and a place outside the United States.

(b) The Commission does not have jurisdiction under subsection (a) of this section over service undertaken by a freight forwarder using transportation—

(1) of an air carrier subject to chapter 20 of this title; or

49 USC 1301 *et seq.*

(2) by motor vehicle exempt under section 10526(a)(8) of this title.

§ 10562. Exempt freight forwarder service

49 USC 10562.

The Interstate Commerce Commission does not have jurisdiction under this subchapter over—

(1) service provided by, or under the direction of, a cooperative association (as defined by section 1141j(a) of title 12) or by a federation of cooperative associations if the federation has no greater power or purposes than a cooperative association;

(2) service subject to the jurisdiction of the Commission and provided with respect to only one of the following categories:

(A) ordinary livestock;
(B) fish (including shellfish);
(C) agricultural or horticultural commodities (other than manufactured products thereof); or
(D) used household goods;

(3) the service of a shipper or a group of shippers in consolidating or distributing freight on a nonprofit basis, for the shipper or members of the group to secure carload, truckload, or other volume rates; or

(4) the service of an agent of a shipper in consolidating or distributing pool cars when the service is provided for the shipper only in a terminal area in which the service is performed.

CHAPTER 107—RATES, TARIFFS, AND VALUATIONS

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SUBCHAPTER I—GENERAL AUTHORITY

§ 10701. Standards for rates, classifications, through routes, rules, and practices

49 USC 10701.

(a) A rate, classification, rule, or practice related to transportation or service provided by a carrier subject to the jurisdiction of the Interstate Commerce Commission under chapter 105 of this title must be reasonable. A through route established by such a carrier must be reasonable. Divisions of joint rates by those carriers must be made without unreasonable discrimination against a participating carrier and must be reasonable.

(b)(1) A rate for transportation provided by a rail carrier subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title that contributes, or would contribute, to the going concern value of that carrier does not violate subsection (a) of this section because it is below a reasonable minimum rate for the service rendered or to be rendered. This subsection does not prohibit increasing a rate to a level that contributes to the going concern value of a rail carrier if the increase is otherwise reasonable. The increased rate is presumed reasonable if it does not exceed the incremental costs of rendering the transportation to which the increase applies.

Rate increases.

(2)(A) A rate for transportation by a rail carrier that equals or exceeds the variable costs of providing the transportation is presumed to contribute to the going concern value of the rail carrier proposing the rate. However, the presumption may be rebutted by clear and convincing evidence.

(B) Variable and incremental costs shall be determined under formulas prescribed by the Commission. However, when making a determination of variable costs, the Commission shall, on application of the rail carrier proposing the rate, determine only the costs of that carrier and only those costs of the specific service in question unless the specific information is not available. The Commission may not include in variable costs an expense that does not vary directly with the level of transportation provided under the proposed rate.

(c) A common carrier providing transportation subject to the jurisdiction of the Commission under subchapter I or III of chapter 105 of this title may not discriminate in its rates against a connecting line of another carrier providing transportation subject to the juris-

Nondiscrimination.

diction of the Commission under either of those subchapters or unreasonably discriminate against that line in the distribution of traffic that is not routed specifically by the shipper.

(d) In a proceeding to determine whether a rate for transportation or service provided by a common carrier subject to the jurisdiction of the Commission under subchapter II, III, or IV of chapter 105 of this title complies with subsection (a) of this section, the good will, earning power, or certificate or permit under which that carrier is operating may not be considered or admitted as evidence of the value of the property of that carrier. When the carrier receives a certificate or permit under chapter 109 of this title, it is considered to have agreed to this subsection for itself and for all transferees of that certificate or permit.

Post, p. 1402.

49 USC 10702.

§ 10702. Authority for carriers to establish rates, classifications, rules, and practices

(a) A common carrier providing transportation or service subject to the jurisdiction of the Interstate Commerce Commission under chapter 105 of this title shall establish—

(1) rates, including divisions of joint rates, and classifications for transportation and service it may provide under this subtitle; and

(2) rules and practices on matters related to that transportation or service, including rules and practices on—

(A) issuing tickets, receipts, bills of lading, and manifests;

(B) carrying of baggage;

(C) the manner and method of presenting, marking, packing, and delivering property for transportation; and

(D) facilities for transportation.

Filing.

(b) A contract carrier providing transportation subject to the jurisdiction of the Commission under chapter 105 of this title shall establish, and file with the Commission, actual and minimum rates for the transportation it may provide under this subtitle and rules and practices related to those rates. However, this subsection does not require a motor contract carrier to maintain the same rates and rules related to those rates for the same transportation provided to shippers served by it. The Commission may grant relief from this subsection when relief is consistent with the public interest and the transportation policy of section 10101 of this title. The Commission may begin a proceeding under this subsection on application of a contract carrier or group of contract carriers or on its own initiative for a water contract carrier or group of water contract carriers.

Relief.

Ante, p. 1337.

Proceeding.

49 USC 10703.

§ 10703. Authority for carriers to establish through routes

(a) A carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under chapter 105 of this title shall establish through routes as follows:

(1) Rail, express, sleeping car, and pipeline carriers shall establish through routes with each other and shall establish rates and classifications applicable to those routes.

(2) Rail and water common carriers shall establish through routes with each other and shall establish rates and classifications applicable to those routes.

(3) A motor common carrier of passengers shall establish through routes with other carriers of the same type and shall establish individual and joint rates applicable to them.

(4)(A) A motor common carrier of property may establish through routes and joint rates and classifications applicable to them with other carriers of the same type, with rail and express carriers, and with water common carriers, including those referred to in subparagraph (D) of this paragraph.

(B) A motor common carrier of passengers may establish through routes and joint rates applicable to them with rail carriers or water common carriers, including those referred to in subparagraph (D) of this paragraph, or both.

(C) Water common carriers shall establish through routes with each other and shall establish rates and classifications applicable to those routes and may establish—

(i) through routes and rates and classifications applicable to them with motor common carriers; and

(ii) through routes and joint rates and classifications applicable to them with water common carriers referred to in subparagraph (D)(ii) of this paragraph.

(D) A through route or joint rate or classification authorized to be established with a carrier referred to in this subparagraph may be established with a water common carrier providing transportation subject to—

(i) the jurisdiction of the Commission under subchapter III of chapter 105 of this title; or

(ii) section 801 or sections 843–848 of title 46 (including persons holding themselves out to transport goods by water but not owning or operating vessels) and providing transportation of property between Alaska or Hawaii and the other 48 States.

A through route and a rate, classification, rule, or practice related to a through route with a water common carrier referred to in this subparagraph is subject to the provisions of this subtitle governing the type of carrier establishing the rate, classification, rule, or practice.

Operating rules.

(b) A carrier providing transportation subject to the jurisdiction of the Commission under subchapter I or III of chapter 105 of this title that establishes a through route with another carrier under this section shall establish rules for its operation and provide—

(1) reasonable facilities for operating the through route; and

(2) reasonable compensation to persons entitled to compensation for services related to the through route.

49 USC 10704.

§ 10704. Authority and criteria: rates, classifications, rules, and practices prescribed by Interstate Commerce Commission

Violations.

(a)(1) When the Interstate Commerce Commission, after a full hearing, decides that a rate charged or collected by a carrier for transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title, or that a classification, rule, or practice of that carrier, does or will violate this subtitle, the Commission may prescribe the rate (including a maximum or minimum rate, or both), classification, rule, or practice to be followed. The Commission may order the carrier to stop the violation. When a rate, classification, rule, or practice is prescribed under this subsection, the affected carrier may not publish, charge, or collect a different rate and shall adopt the classification and observe the rule or practice prescribed by the Commission.

Revenue levels, standards and procedures.

(2) The Commission shall maintain standards and procedures for establishing revenue levels for rail carriers providing transportation subject to its jurisdiction under that subchapter that are adequate, under honest, economical, and efficient management, to cover total operating expenses, including depreciation and obsolescence, plus a reasonable and economic profit or return (or both) on capital employed in the business. The Commission shall make an adequate and continuing effort to assist those carriers in attaining revenue levels prescribed under this paragraph. However, a rate, classification, rule, or practice of a rail carrier may be maintained at a particular level to protect the traffic of another carrier or mode of transportation only if the Commission finds that the rate or classification, or rule or practice related to it, reduces or would reduce the going concern value of the carrier charging the rate. Revenue levels established under this paragraph should—

(A) provide a flow of net income plus depreciation adequate to support prudent capital outlays, assure the repayment of a reasonable level of debt, permit the raising of needed equity capital, and cover the effects of inflation; and

(B) attract and retain capital in amounts adequate to provide a sound transportation system in the United States.

(b)(1) When the Commission decides that a rate charged or collected by—

(A) a motor common carrier for providing transportation subject to its jurisdiction under subchapter II of chapter 105 of this title by itself, with another motor common carrier, with a rail, express, or water common carrier, or any of them;

(B) a water common carrier for providing transportation subject to its jurisdiction under subchapter III of chapter 105 of this title; or

(C) a freight forwarder for providing service subject to its jurisdiction under subchapter IV of chapter 105 of this title;

or that a classification, rule, or practice of that carrier, does or will violate this chapter, the Commission shall prescribe the rate (including a maximum or minimum rate, or both), classification, rule, or practice to be followed.

(2) When prescribing a rate, classification, rule, or practice for transportation or service by common carriers other than by rail carrier, the Commission shall consider, among other factors, the following:

(A) the effect of the prescribed rate, classification, rule, or practice on the movement of traffic by that carrier; and

(B) the need for revenues that are sufficient, under honest, economical, and efficient management, to let the carrier provide that transportation or service.

(3) If the carrier is a motor or water common carrier or a freight forwarder, the Commission shall also consider the need, in the public interest, of adequate and efficient transportation or service by that carrier at the lowest cost consistent with providing that transportation or service.

(4) If the carrier is a motor common carrier or a freight forwarder, the Commission shall also consider the inherent advantages of transportation by motor common carrier or the inherent nature of freight forwarding, respectively.

(c)(1) When the Commission finds that a minimum rate of a contract carrier for transportation subject to the jurisdiction of the Com-

mission under subchapter II or III of chapter 105 of this title, or a rule or practice related to the rate or the value of the service under it, violates this chapter or the transportation policy of section 10101 of this title, the Commission may prescribe the minimum rate, rule, or practice for the carrier that is desirable in the public interest and will promote that policy. In prescribing the rate, the Commission may not give a motor or water contract carrier an advantage or preference in competition with a motor or water common carrier, respectively, if an advantage or preference is unreasonable or inconsistent with the public interest and the transportation policy of section 10101 of this title.

Ante, p. 1337.

(2) When prescribing a minimum rate, or rule or practice related to a rate, for a contract carrier, the Commission shall consider—

(A) the cost of the transportation provided by the carrier; and

(B) the effect of a prescribed minimum rate, or rule or practice, on the movement of traffic by that carrier.

(d) In a proceeding involving competition between carriers of different modes of transportation subject to this subtitle, except rail carriers, the Commission, in determining whether a rate is less than a reasonable minimum rate, shall consider the facts and circumstances involved in moving the traffic by the mode of carrier to which the rate is applicable. Subject to the transportation policy of section 10101 of this title, rates of a carrier may not be maintained at a particular level to protect the traffic of another mode of transportation.

Proceedings.

(e) In a proceeding involving a proposed increase or decrease in rail carrier rates, the Commission shall specifically consider allegations that the increase or decrease would (1) change the rate relationships between commodities, ports, places, regions, areas, or other particular descriptions of traffic (without regard to previous Commission consideration or approval of those relationships), and (2) have a significant adverse effect on the competitive position of shippers or consignees served by the rail carrier proposing the increase or decrease. The Commission shall investigate to determine whether the change or effect violates this subtitle when it finds that those allegations are substantially supported on the record. The investigation may be made either before or after the proposed increase or decrease becomes effective and either in that proceeding or in another proceeding.

Investigation.

(f) The Commission may begin a proceeding under this section on its own initiative or on complaint. A complaint under subsection (a) of this section must be made under section 11701 of this title, but the proceeding may also be in extension of a complaint pending before the Commission. A complaint under subsection (c) of this section must contain a full statement of the facts and the reasons for the complaint and must be made under oath.

Post, p. 1449.

§ 10705. Authority: through routes, joint classifications, rates, and divisions prescribed by Interstate Commerce Commission

49 USC 10705.

(a)(1) The Interstate Commerce Commission may, and shall when it considers it desirable in the public interest, prescribe through routes, joint classifications, joint rates (including maximum or minimum rates or both), the division of joint rates, and the conditions under which those routes must be operated, for a common carrier providing transportation subject to the jurisdiction of the Commission under subchapter I, II (except a motor common carrier of property),

Differential.

or III of chapter 105 of this title. When one of the carriers on a through route is a water carrier, the Commission shall prescribe a differential between an all-rail rate and a joint rate related to the water carrier if the differential is justified.

(2) The Commission may require a rail carrier to include in a through route substantially less than the entire length of its railroad and any intermediate railroad operated with it under common management or control if that intermediate railroad lies between the terminals of the through route only when—

Post, p. 1419.

(A) required under section 10741–10744 or 11103 of this title;

(B) one of the carriers is a water carrier;

(C) inclusion of those lines would make the through route unreasonably long when compared with a practicable alternative through route that could be established; or

(D) the Commission decides that the proposed through route is needed to provide adequate, and more efficient or economic, transportation.

The Commission shall give reasonable preference, subject to this subsection, to the rail carrier originating the traffic when prescribing through routes.

Prohibition.

(3) The Commission may not prescribe—

(A) a through route, classification, practice, or rate between a street electric passenger railway not engaged in the general business of transporting freight in addition to its passenger and express business and (i) a rail carrier of a different character, or (ii) a water common carrier; or

(B) a through route or joint rate applicable to it to assist a participating carrier to meet its financial needs.

(b) The Commission shall prescribe the division of joint rates to be received by a carrier providing transportation subject to its jurisdiction under chapter 105 of this subtitle when it decides that a division of joint rates established by the participating carriers under section 10703 of this title, or under a decision of the Commission under subsection (a) of this section, does or will violate section 10701 of this title. When prescribing the division of joint rates of a rail or water carrier under this subsection, the Commission shall consider—

(1) the efficiency with which the carriers concerned are operated;

(2) the amount of revenue required by the carriers to pay their operating expenses and taxes and receive a fair return on the property held and used for transportation;

(3) the importance of the transportation to the public;

(4) whether a particular participating carrier is an originating, intermediate, or delivering line; and

(5) other circumstances that ordinarily, without regard to the mileage traveled, entitle one carrier to a different proportion of a rate than another carrier.

(c) If a division of a joint rate prescribed under a decision of the Commission is later found to violate section 10701 of this title, the Commission may decide what division would have been reasonable and order adjustment to be made retroactive to the date the complaint was filed, the date the order for an investigation was made, or a later date that the Commission decides is justified. The Commission may make a decision under this paragraph effective as part of its original decision.

(d) When the Commission suspends, for investigation, a rail or water common carrier tariff that would cancel a through route, joint rate, or classification without the consent of all carriers that are parties to it or without authorization of the Commission, the carrier proposing the cancellation has the burden of proving that cancellation is consistent with the public interest without regard to subsection (a) (2) of this section. In determining whether a cancellation involving a rail carrier is consistent with the public interest, the Commission shall, to the extent applicable—

(1) compare the distance traveled and the average transportation time and expense required using (A) the through route, and (B) alternative routes, between the places served by the through route;

(2) consider any reduction in energy consumption that may result from cancellation; and

(3) consider the overall impact of cancellation on the shippers and carriers that are affected by it.

Hearing and proceeding.

(e) (1) The Commission may begin a proceeding under subsection (a) or (b) of this section on its own initiative or on complaint and may take action only after a full hearing. The Commission must complete all evidentiary proceedings to adjust the division of joint rates for transportation by rail carrier within one year after the complaint is filed if the proceeding is brought on complaint or within 2 years after the commencement of a proceeding on the initiative of the Commission and must take final action by the 270th day after completion of the evidentiary proceedings. The Commission may decide to extend such a proceeding to permit its fair and expeditious completion, but when the Commission cannot meet those time limits, it must report its reasons to Congress.

Extension, report to Congress.

(2) When a carrier begins a proceeding to adjust the division of joint rates for transportation by a rail carrier under this section by filing a complaint with the Commission, the carrier must also file all of the evidence in support of its position with the complaint and, during the course of the proceeding may only file rebuttal or reply evidence unless otherwise ordered by the Commission.

Discovery.

(3) When the Commission receives a notice of intent to begin a proceeding to adjust the division of joint rates for transportation by a rail carrier under this section, the Commission shall allow the party filing the notice the same right to discovery that a party would have on filing a complaint under this section.

Emergency.

(f) When there is a shortage of equipment, congestion of traffic, or other emergency declared by the Commission, it may prescribe temporary through routes that are desirable in the public interest on its own initiative or on application without regard to subsection (e) of this section, subchapter II of chapter 103 of this title, and subchapter II of chapter 5 of title 5.

Ante, p. 1345.
5 USC 551.

§ 10706. Rate agreements: exemption from antitrust laws

49 USC 10706.

Definitions.

(a) (1) In this subsection—

(A) "affiliate" means a person controlling, controlled by, or under common control or ownership with another person and "ownership" refers to equity holdings in a business entity of at least 5 percent.

(B) "single-line rate" refers to a rate or allowance proposed by a single rail carrier that is applicable only over its line and for which the transportation (exclusive of terminal services by

switching, drayage or other terminal carriers or agencies) can be provided by that carrier.

Approval.

(2)(A) A rail carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title that is a party to an agreement of at least 2 rail carriers or an agreement with a class of carriers referred to in subsection (c)(1)(B)-(E) of this section, that relates to rates (including charges between rail carriers and compensation paid or received for the use of facilities and equipment), classifications, divisions, or rules related to them, or procedures for joint consideration, initiation, or establishment of them, shall apply to the Commission for approval of that agreement under this subsection. The Commission shall approve the agreement only when it finds that the making and carrying out of the agreement will further the transportation policy of section 10101 of this title and may require compliance with conditions necessary to make the agreement further that policy as a condition of its approval. If the Commission approves the agreement, it may be made and carried out under its terms and under the conditions required by the Commission, and the Sherman Act (15 U.S.C. 1, et seq.), the Clayton Act (15 U.S.C. 12, et seq.), the Federal Trade Commission Act (15 U.S.C. 41, et seq.), sections 73 and 74 of the Wilson Tariff Act (15 U.S.C. 8 and 9), and the Act of June 19, 1936, as amended (15 U.S.C. 13, 13a, 13b, 21a) do not apply to parties and other persons with respect to making or carrying out the agreement. However, the Commission may not approve or continue approval of an agreement when the conditions required by it are not met or if it does not receive a verified statement under subparagraph (B) of this paragraph.

Verified statement, filing.

(B) The Commission may approve an agreement under subparagraph (A) of this paragraph only when the carriers applying for approval file a verified statement with the Commission. Each statement must specify for each rail carrier that is a party to the agreement—

(i) the name of the carrier;

(ii) the mailing address and telephone number of its headquarter's office; and

(iii) the names of each of its affiliates and the names, addresses, and affiliates of each of its officers and directors and of each person, together with an affiliate, owning or controlling any debt, equity, or security interest in it having a value of at least $1,000,000.

Final disposition.

(3)(A) An organization established or continued under an agreement approved under this subsection shall make a final disposition of a rule or rate docketed with it by the 120th day after the proposal is docketed. Such an organization may not—

(i) permit a rail carrier to participate in agreements related to, or to vote on single-line rates proposed by another rail carrier, or on rates related to a particular interline movement unless that rail carrier can practicably participate in that movement; or

(ii) permit, provide for, or establish a procedure for joint consideration or joint action to protest or seek the suspension of a rate or classification filed by a rail carrier under section 10707 of this title when that rate or classification is established by independent action.

(B) Subparagraph (A) (i) and (ii) of this paragraph does not apply to—

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(i) general rate increases or decreases if the agreement gives shippers, under specified procedures, at least 15 days' notice of the proposal and an opportunity to present comments on it before a tariff containing the increases or decreases is filed with the Commission; or

Notice and comments.

(ii) broad tariff changes that are of at least substantially general application throughout the area where the changes will apply.

(C) In any proceeding in which a party alleges that a rail carrier voted or agreed on a rate or allowance in violation of this subsection, that party has the burden of showing that the vote or agreement occurred. A showing of parallel behavior does not satisfy that burden by itself.

(b) A common carrier providing transportation or service subject to the jurisdiction of the Commission under chapter 105 of this title (except a rail carrier) that is a party to an agreement of at least 2 carriers related to rates (including charges between carriers and compensation paid or received for the use of facilities and equipment), allowances, classifications, divisions, or rules related to them, or procedures for joint consideration, initiation, or establishment of them, may apply to the Commission for approval of that agreement under this subsection. The Commission shall approve the agreement only when it finds that the making and carrying out of the agreement will further the transportation policy of section 10101 of this title and may require compliance with conditions necessary to make the agreement further that policy as a condition of approval. If the Commission approves the agreement, it may be made and carried out under its terms and under the conditions required by the Commission, and the antitrust laws, as defined in section 12 of title 15, do not apply to parties and other persons with respect to making or carrying out the agreement.

Ante, p. 1358.

Ante, p. 1337.

(c) (1) In this subsection, carriers are classified as follows:

Carrier classification.

(A) Rail, express, and sleeping car carriers are a class.

(B) Pipeline carriers are a class.

(C) Motor carriers are a class.

(D) Water carriers are a class.

(E) Freight forwarders are a class.

(2) The Commission may not approve an agreement under this section.

Unapprovable agreements.

(A) between or among carriers of different classes unless, in addition to the finding required under subsection (a) or (b) of this section, the Commission finds that the agreement is limited to matters related to transportation under joint rates or over through routes;

(B) related to a pooling, division, or other matter to which subchapter III of chapter 113 of this title applies; or

Post, p. 1434.

(C) establishing a procedure for determination of a matter through joint consideration unless the Commission finds that each party to the agreement has the absolute right under it to take independent action before or after a determination is made under that procedure.

(d) The Commission may require an organization established or continued under an agreement approved under this section to maintain records and submit reports. The Commission, or its delegate, may inspect a record maintained under this section.

Records maintenance.

Review.

(e) The Commission may review an agreement approved under subsection (a) or (b) of this section and shall change the conditions of approval or terminate it when necessary to comply with (1) the public interest and subsection (a), or (2) subsection (b). The Commission shall postpone the effective date of a change of an agreement under this subsection for whatever period it determines to be reasonably necessary to avoid unreasonable hardship.

Postponement.

Proceeding.

(f) The Commission may begin a proceeding under this section on its own initiative or on application. Action of the Commission under this section (1) approving an agreement, (2) denying, ending, or changing approval, (3) prescribing the conditions on which approval is granted, or (4) changing those conditions, has effect only as related to application of the antitrust laws referred to in subsection (a) or (b) of this section.

Review.

(g) The Commission shall review each agreement approved under subsection (a) of this section periodically, but at least once every 3 years (1) to determine whether the agreement or an organization established or continued under one of those agreements still complies with the requirements of that subsection and the public interest, and (2) to evaluate the success and effect of that agreement or organization on the consuming public and the national rail freight transportation system. If the Commission finds that an agreement or organization does not conform to the requirements of that subsection, it shall end or suspend its approval. The Commission shall report to the President and Congress the results of the review as a part of its annual report under section 10311 of this title.

Report to President and Congress.

Ante, p. 1345.

Assessment report by FTC, publication.

(h)(1) The Federal Trade Commission, in consultation with the Antitrust Division of the Department of Justice, shall prepare periodically an assessment of, and shall report to the Commission on—

(A) possible anticompetitive features of—

(i) agreements approved or submitted for approval under subsection (a) of this section; and

(ii) an organization operating under those agreements; and

(B) possible ways to alleviate or end an anticompetitive feature, effect, or aspect in a manner that will further the goals of this subtitle and of the transportation policy of section 10101 of this title.

(2) Reports received by the Commission under this subsection shall be published and made available to the public under section 552(a) of title 5.

49 USC 10707.

§ 10707. Investigation and suspension of new rail carrier rates, classifications, rules, and practices

(a) When a new individual or joint rate or individual or joint classification, rule, or practice related to a rate is filed with the Interstate Commerce Commission by a rail carrier providing transportation subject to its jurisdiction under subchapter I of chapter 105 of this title, the Commission may begin a proceeding, on its own initiative or on complaint of an interested party, to determine whether the proposed rate, classification, rule, or practice violates this subtitle. The Commission must give reasonable notice to interested parties before beginning a proceeding under this subsection but may act without allowing an interested party to file an answer or other formal pleading in response to its decision to begin the proceeding.

Ante, p. 1359.

Notice.

(b) (1) The Commission must complete a proceeding under this section and make its final decision by the end of the 7th month after the rate, classification, rule, or practice was to become effective. However, if the Commission reports to Congress by the end of the 7th month that it cannot make a final decision by that time and explains the reason for the delay, it may take an additional 3 months to complete the proceeding and make its final decision. If the Commission does not reach a final decision within the applicable time period, the rate, classification, rule, or practice— Extension, report to Congress.

(A) is effective at the end of that time period; or

(B) if already in effect at the end of that time period, remains in effect.

(2) If an interested party has filed a complaint under subsection (a) of this section, the Commission may set aside a rate, classification, rule, or practice that has become effective under this section if the Commission finds it to be in violation of this chapter.

(c) (1) Pending final Commission action in a proceeding under subsection (a) of this section, the Commission may suspend the proposed rate, classification, rule, or practice for 7 months after the time it would otherwise go into effect or, if a report is made under subsection (b) of this section, for 10 months after the time it would otherwise go into effect. However, the Commission may suspend a rate under this subsection only if it appears from specific facts shown by the verified complaint of a person that—

(A) without suspension, the proposed rate change will cause substantial injury to the complainant or the party represented by the complainant; and

(B) it is likely that the complainant will prevail on the merits.

(2) The burden is on the complainant to prove the facts required under paragraph (1) (A) and (B) of this subsection.

(d) If the Commission does not suspend a proposed rate increase that is the subject of a proceeding under this section, the Commission shall require the rail carriers involved to account for all amounts received under the increase until the Commission completes the proceeding or until 7 months after the increase becomes effective, whichever occurs first, or, if the proceeding is extended under subsection (b) of this section, until the Commission completes the proceeding or until 10 months after the increase becomes effective, whichever occurs first. The accounting must specify by whom and for whom the amounts are paid. When the Commission takes final action, it shall require the carrier to refund to the person for whom the amounts were paid that part of the increased rate found to be unjustified, plus interest at a rate equal to the average yield (on the date the proposed increase is filed) of marketable securities of the United States Government having a duration of 90 days. When any part of a proposed rate decrease is suspended and later found to comply with this subtitle, the rail carrier may refund any part of the portion of the decrease found to comply with this subtitle if the carrier makes the refund available equally to the shippers who participate in the rate according to the relative amounts of traffic shipped at that rate. Accounting. Refund requirement.

(e) In a proceeding under this section, the burden is on the carrier proposing the changed rate, classification, rule, or practice to prove that the change is reasonable. The Commission shall specifically consider proof that the proposed rate, classification, rule, or practice will have a significantly adverse effect (in violation of section 10701, 10741–

10744, or 11103 of this title) on the competitive posture of shippers or consignees affected by the proposed rate, classification, rule, or practice. The Commission shall give proceedings under this section preference over all other proceedings related to rail carriers pending before it and make its decision at the earliest practical time.

49 USC 10708.

§ 10708. Investigation and suspension of new nonrail carrier rates, classifications, rules, and practices

(a)(1) The Interstate Commerce Commission may begin a proceeding to determine the lawfulness of a proposed rate, classification, rule, or practice immediately, on its own initiative or on application of an interested party when—

(A) a new individual or joint rate or individual or joint classification, rule, or practice affecting a rate is filed with the Commission by a common carrier, other than a rail carrier, under this subtitle; or

(B) a new or reduced rate or rule or practice that causes a reduction of a rate is filed with the Commission by a contract carrier under this subtitle.

Notice.

(2) The Commission must give reasonable notice before beginning a proceeding under this section but may act without allowing an interested carrier to file an answer or other formal pleading in response to its decision to begin the proceeding. The Commission may take whatever final action on a rate, classification, rule, or practice under this section, after a full hearing (whether completed before or after the rate, classification, rule, or practices goes into effect), as it could in a proceeding begun after a rate, classification, rule, or practice became effective.

(b) Pending final Commission action in a proceeding under subsection (a) of this section, the Commission may suspend the proposed rate, classification, rule, or practice at any time for not more than 7 months beyond the time it would otherwise go into effect by (1) delivering to each affected carrier, and (2) filing with the proposed rate, classification, rule, or practice, a statement of reasons for the suspension. If the Commission does not take final action during the suspension period, the proposed rate, classification, rule, or practice is effective at the end of that period. However, if an increase in a rate for, or related to, transportation of property by an express, sleeping car, or pipeline carrier becomes effective under this subsection, the Commission may require the interested carrier to account for all amounts received under it and specify by whom and on whose behalf those amounts were paid. When the Commission takes final action, it may require the carrier to refund, with interest, to the persons on whose behalf those amounts were paid, the part of the increased rate found to be in violation of this subtitle.

Accounting.

Refund requirement.

(c) In a proceeding under this section, the burden is on the carrier proposing the changed rate, classification, rule, or practice to prove that the change is reasonable. The Commission shall give proceedings under this section preference over all other proceedings related to that type of carrier pending before it and make its decision at the earliest practical time.

49 USC 10709.

§ 10709. Determination of market dominance in rail carrier rate proceedings

"Market dominance."

(a) In this section, "market dominance" means an absence of effective competition from other carriers or modes of transportation for the transportation to which a rate applies.

(b) When a rate for transportation by a rail carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title is challenged as being unreasonably high, the Commission shall determine, within 90 days after the start of a proceeding under section 10707 of this title to investigate the lawfulness of that rate, whether the carrier proposing the rate has market dominance over the transportation to which the rate applies. The Commission may make that determination on its own initiative or on complaint. A finding by the Commission that the carrier does not have market dominance is determinative in a proceeding under this subtitle related to that rate or transportation unless changed or set aside by the Commission or set aside by a court of competent jurisdiction. *Ante*, p. 1359.

(c) When the Commission finds in any proceeding that a rail carrier proposing or defending a rate for transportation has market dominance over the transportation to which the rate applies, it may then determine that rate to be unreasonable if it exceeds a reasonable maximum for that transportation. However, a finding of market dominance does not establish a presumption that the proposed rate exceeds a reasonable maximum. This subsection does not limit the power of the Commission to suspend a rate under section 10707(c) of this title. However, if the Commission has found that a carrier does not have market dominance over the transportation to which the rate applies, the Commission may suspend an increase in that rate as being in excess of a reasonable maximum for that transportation only if it specifically changes or sets aside its prior determination of market dominance. Suspension.

§ 10710. Elimination of discrimination against recyclable materials 49 USC 10710.

The Interstate Commerce Commission shall maintain regulations that will eliminate discrimination against the transportation of recyclable materials in rate structures and in other Commission practices where discrimination exists.

§ 10711. Effect of certain sections on rail rates and practices 49 USC 10711.

Sections 10701 (a) and (b), 10707, 10709, 10727, and 10728 of this title, related to rail carriers, do not—

(1) modify the application of sections 10701(c), 10726, 10741–10744, or 11103 of this title in determining whether a rate or practice complies with this subtitle;

(2) make a competitive practice that is unfair, destructive, predatory, or otherwise undermines competition that is necessary in the public interest comply with this subtitle;

(3) affect a law in existence on February 5, 1976, or the authority of the Interstate Commerce Commission related to rate relationships between ports; or

(4) affect the authority and responsibility of the Commission to guarantee the equalization of rates in the same port.

SUBCHAPTER II—SPECIAL CIRCUMSTANCES

§ 10721. Government traffic 49 USC 10721.

(a)(1) Except as provided in this section, the full applicable commercial rate shall be paid for transportation for the United States Government by a common carrier providing transportation or service subject to the jurisdiction of the Interstate Commerce Commission

under this subtitle. Section 5 of title 41 does not apply when transportation for the United States Government can be obtained from a common carrier lawfully operating in the area where the transportation will be provided. When prescribing rates for transportation or service by those common carriers, the Commission shall consider increased revenues those carriers receive under this subsection to reflect those increases in appropriate readjustments of their rates.

Increased revenues.

(2) Paragraph (1) of this subsection does not apply, and the law related to compensation for transportation for the United States Government in effect immediately before September 18, 1940, applies to a rail carrier if that carrier, or its predecessor in interest, received a grant of land from the United States to aid in constructing the railroad it operates but did not file a release with the Secretary of the Interior before September 18, 1941, of claims against the United States Government to, or arising out of, lands that were granted, claimed to have been granted, or claimed should have been granted to that carrier or its predecessor in interest. This paragraph does not require a rail carrier to reconvey to the United States land patented or certified to it or prevent the patent of land that the Secretary of the Interior found was sold by the carrier to an innocent purchaser for value or as preventing the patent of land listed or selected by the carrier and finally approved by the Secretary of the Interior to the extent that issuance of those patents is authorized by law.

(b)(1) A common carrier providing transportation subject to the jurisdiction of the Commission under subchapter I, II, or III of chapter 105 of this title may transport individuals for the United States Government without charge or at reduced rates. The carriers may transport custom inspectors and immigration officers without charge. A common carrier providing transportation or service subject to the jurisdiction of the Commission under chapter 105 of this title shall provide transportation for the United States Postal Service under chapters 50 and 52 of title 39, and may transport property for the United States Government, a State, or municipal government without charge or at reduced rates.

Ante, pp. 1359, 1361, 1365.

Ante, p. 1358.

39 USC 5001 *et seq.*, 5201 *et seq.*

Quoted or tendered rate, filing.

(2) Unless a carrier is advised by the United States Government that disclosure of a quotation or tender of a rate established under paragraph (1) of this subsection for transportation provided to the United States Government would endanger the national security, the carrier shall file the quoted or tendered rate, including a retroactive rate made after the transportation has been provided, concurrently, with the Commission and the department, agency, or instrumentality of the United States Government for which the quotation or tender was made or for which the proposed transportation is to be provided. A carrier may quote or tender a rate established under an agreement made and approved under section 10706 of this title, but the exemption from the antitrust laws provided by that section applies only when the filing requirements of this paragraph are met.

(c) A different policy, rule of rate making, system of accounting, method of determining costs of transportation, value of property, or rate of return may not be applied to a water carrier owned or controlled by the United States Government than is applied to a water carrier providing transportation subject to the jurisdiction of the Commission under subchapter III of chapter 105 of this title.

49 USC 10722.

§ 10722. Special passenger rates

(a) A common carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I,

II, or III of chapter 105 of this title may establish mileage, excursion, and commutation passenger rates including joint interchangeable 5,000 mile passenger rates with the privilege of carrying an amount of baggage without charge for at least 1,000 miles. A carrier that establishes a rate under this subsection may issue tickets reflecting that rate. A carrier that establishes a joint interchangeable 5,000 mile passenger rate shall also establish rules related to that rate specifying the amount of baggage that may be carried without charge under it.

Ante, pp. 1359, 1361, 1365.

Ticket issuance.
Baggage charge, rules.

(b) A common carrier providing transportation subject to the jurisdiction of the Commission under one of those subchapters may establish reduced rates for individuals when the cost of that transportation is an expense of an individual who—

(1) is a member of the armed forces of the United States or another country when that individual is traveling in uniform on official leave, furlough, or pass; or

(2) has been released from the armed forces of the United States not more than 30 days before beginning that transportation and is traveling home or to a prospective place of abode.

(c) A common carrier providing transportation subject to the jurisdiction of the Commission under one of those subchapters may provide transportation without charge for an individual who is—

(1) a necessary caretaker of livestock, poultry, milk, or fruit;

(2) an executive officer, general chairman, or counsel of an employee organization authorized to represent employees of that carrier under chapter 8 of title 45;

45 USC 151 *et seq.*

(3) an employee in charge of the mails when working or traveling to or from work;

(4) a newsboy on a train;

(5) a baggage agent; or

(6) a witness attending a legal investigation in which that carrier has an interest.

(d) (1) In this subsection—

Definitions.

(A) "employee of a carrier" includes an individual who—

(i) is furloughed, pensioned, or not on active duty because of advanced age or infirmity that occurred while the individual was employed by that carrier;

(ii) is being transported for purposes of reemployment by that carrier; or

(iii) was killed while employed by a carrier.

(B) "family" refers to the family of an individual named in clause (A) of this paragraph and includes the widow or minor child of an employee who died while employed by a carrier.

(2) A common carrier providing transportation subject to the jurisdiction of the Commission under subchapter I, II, or III of chapter 105 of this title may provide transportation without charge for officers and employees (and their families) of that carrier, another carrier (by exchange of passes or tickets), or a telegraph, telephone, or cable company. A freight forwarder providing service subject to the jurisdiction of the Commission under subchapter IV of that chapter may provide services related to movement of property for those individuals without charge. However, transportation of, or service provided for, household goods must be due to a change in the place of employment of an officer or employee while employed by that carrier.

§ 10723. Charitable purposes

49 USC 10723.

(a) (1) A common carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter

Ante, pp. 1359, 1361, 1365.

I, II, or III of chapter 105 of this title may provide transportation without charge for—

(A) an indigent or homeless individual (including an individual transported by a hospital, charitable organization, or municipal government and the necessary agents employed in that transportation);

(B) an individual who is confined to or about to enter or return home after discharge from a—

(i) Veterans' Administration facility;

(ii) State home for disabled volunteer soldiers; or

(iii) soldiers' and sailors' home, under an arrangement with the board of managers of that facility;

(C) a minister of religion; and

(D) an individual who is confined to a hospital or charitable facility.

(2) A common carrier providing transportation or service subject to the jurisdiction of the Commission under chapter 105 of this title may provide transportation for property without charge or at a reduced rate for—

(A) a charitable purpose, including transportation referred to in paragraph (1) of this subsection; or

(B) use in a public exhibition.

(b)(1) A common carrier subject to the jurisdiction of the Commission under subchapter I, II, or III of that chapter may provide transportation without charge to an individual who is—

(A) engaged only in charitable work;

(B) injured in an accident (together with the physicians and nurses attending that individual); or

(C) a traveling secretary of a railroad Young Men's Christian Association.

(2) That carrier may also establish a rate and related rule equal to the rate charged for the transportation of one individual when that rate is for the transportation of—

(A) a totally blind individual and an accompanying guide or a dog trained to guide the individual; or

(B) a disabled individual and accompanying attendant when required because of the disability.

49 USC 10724.

§ 10724. Emergency rates

(a) A common carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I, II, or III of chapter 105 of this title may transport passengers without charge to provide relief during general emergencies.

(b)(1) The Commission may authorize a common carrier providing transportation or service subject to its jurisdiction under chapter 105 of this title to give reduced rates for service and transportation of property to or from an area in the United States to provide relief during emergencies. When the Commission takes action under this subsection, it must—

Ante, p. 1358.

(A) define the area of the United States in which the reduced rates will apply;

(B) specify the period during which the reduced rates are to be in effect; and

(C) define the class of persons entitled to the reduced rates.

(2) The Commission may specify those persons entitled to reduced rates by reference to those persons designated as being in need of relief by the United States Government or by a State government authorized

to assist in providing relief during the emergency. The Commission may act under this subsection without regard to subchapter II of chapter 103 of this title and subchapter II of chapter 5 of title 5. *Ante*, p. 1345. 5 USC 551.

§ 10725. Special freight forwarder rates 49 USC 10725.

(a) A common carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I, II, or III of chapter 105 of this title may establish— *Ante*, pp. 1359, 1361, 1365.

(1) assembling rates and related classifications and rules for transportation of less-than-carload or less-than-truckload shipments to a place for further movement as part of a carload or truckload shipment; and

(2) distribution rates and related classifications and rules for transportation of less-than-carload or less-than-truckload shipments moving from a place to which those shipments have moved as a part of a carload or truckload shipment.

(b) A rate and related classification and rule established under subsection (a) of this section applies to freight forwarders and other persons using common carrier transportation under like conditions and may differ from other rates and related classifications and rules that contemporaneously apply to the same common carrier transportation when the difference is justified by a difference in the respective conditions under which that transportation is used. A rate referred to in subsection (a) (1) or (2) of this section may not be established to cover the line-haul transportation between the principal concentration place and the principal break-bulk place.

(c) When establishing a rate, classification, rule, or practice, a motor common carrier providing transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title may consider the type of property tendered to it by a freight forwarder for transportation when the property is in parcels that do not exceed 70 pounds in weight or 100 inches in length and girth combined. The carrier may establish the lowest rate for the transportation that allows it to receive adequate compensation for transporting the property.

§ 10726. Long and short haul transportation 49 USC 10726.

(a)(1) A carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I or III of chapter 105 of this title (except an express carrier) may not charge or receive more compensation for the transportation of property of the same kind or of passengers—

(A) for a shorter distance than for a longer distance over the same line or route in the same direction (the shorter distance being included in the longer distance); or

(B) under a through rate than under the total of the intermediate rates it may charge or receive under this chapter.

This paragraph does not authorize a carrier to charge or receive equal compensation for transportation over a shorter distance than a longer distance.

(2) Notwithstanding paragraph (1) of this subsection, a carrier operating over a circuitous line or route to or from a place in competition with another carrier of the same type that operates over a more direct line or route may establish a rate (otherwise complying with this chapter) for that transportation to meet the rate of the carrier operating over the more direct line or route. A rate established for transportation over a circuitous route under this subsection is not evidence of the compensatory character of rates in other proceedings.

Relief.

(b) In special cases, the Commission may authorize a carrier to charge less for transportation over a longer distance than it charges for transportation over a shorter distance. The Commission may prescribe the extent to which a carrier authorized to charge less under this subsection may be granted relief from subsection (a) of this section. However, the Commission may not authorize a rate—

(1) to or from the more distant place unless it is reasonably compensatory; or

(2) because of potential water competition not actually in existence.

(c) A rail carrier that reduces a rate for the transportation of property in competition with a water route to or from competitive places may increase the rate only if, after a proceeding, the Commission finds that the increase is proposed because of a change in conditions other than the elimination of water competition.

Proceeding.

(d) The Commission shall begin a proceeding under subsection (b) of this section on application of a carrier. A carrier may file a proposed rate with its application, and if the application is approved, the Commission shall allow the rate to become effective one day after the approval becomes effective.

49 USC 10727.

§ 10727. Demand-sensitive rates

Standards and procedures.

(a) The Interstate Commerce Commission shall maintain standards and procedures to permit seasonal, regional, or peak-period demand rates for transportation by rail carrier subject to its jurisdiction under subchapter I of chapter 105 of this title, that—

(1) provide sufficient incentives to shippers, through rescheduling and advance planning, to reduce peak-period shipments;

(2) generate additional revenue for rail carriers;

(3) make better use of the national supply of freight cars;

(4) improve—

(A) the transportation of property by rail carriers;

(B) the level of employment by rail carriers; and

(C) the financial stability of markets served by rail carriers.

Annual report to Congress, legislative recommendations.

(b) The Commission shall submit to Congress an annual report on the implementation of rates under this section and shall include recommendations for additional legislation needed to make it easier to establish those rates.

49 USC 10728.

§ 10728. Separate rates for distinct rail services

(a) A rail carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title may, on its own initiative or at the request of a shipper or receiver of property, establish separate rates for distinct rail services to—

(1) encourage competition;

(2) promote increased reinvestment by rail carriers; and

(3) encourage and make easier increased non-railroad investment in the production of rail services.

Expeditious procedures.

(b) The Commission shall maintain expeditious procedures to permit separate rates for distinct rail services to—

(1) encourage those services to be priced in accordance with the cash-outlay incurred by the carrier and the demand for them; and

(2) enable shippers and receivers to evaluate transportation and related rates and alternatives.

§ 10729. Rail carriers; incentive for capital investment 49 USC 10729.

(a) A proposed rate, classification, rule, or practice for transportation by a rail carrier subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title requiring a total capital investment of at least $1,000,000 to implement shall be established and become effective under this section. This section applies whether the investment is made individually or collectively by the carrier or by a shipper, receiver, or agent for any of them, or by a third party. *Ante*, p. 1359.

(b) A rail carrier may file a notice of intent to establish a rate, classification, rule, or practice under subsection (a) of this section with the Commission. The notice must include a sworn affidavit detailing the anticipated capital investment. Unless the Commission after holding a proceeding under subsection (c) of this section, decides by the 180th day after the notice is filed that the proposed rate, classification, rule, or practice would violate this subtitle, the carrier may establish that rate, classification, rule, or practice at any time during the next 180 days, and it may become effective 30 days after it is established. Once a rate, classification, rule, or practice becomes effective under this section, the Commission may not, for 5 years, suspend or set it aside as violating section 10701, 10726, 10741–10744, or 11103 of this title. However, the Commission may order the rate, classification, rule, or practice to be revised to a level equal to the variable costs of providing the transportation when the Commission finds the level then in effect reduces the going concern value of the carrier. Notice of intent, filing.

(c) On request of an interested person, the Commission shall hold a proceeding to investigate and determine whether the rate, classification, rule, or practice proposed to be established under this section complies with this subtitle. The Commission must give reasonable notice to interested parties before beginning a proceeding under this subsection but may act without allowing an interested party to file an answer or other formal pleading. Proceeding. Notice.

§ 10730. Rates and liability based on value 49 USC 10730.

The Interstate Commerce Commission may require or authorize a carrier providing transportation or service subject to its jurisdiction under subchapter I, II, or IV of chapter 105 of this title, to establish rates for transportation of property under which the liability of the carrier for that property is limited to a value established by written declaration of the shipper, or by a written agreement, when that value would be reasonable under the circumstances surrounding the transportation. A rate may be made applicable under this section to livestock only if the livestock is valuable chiefly for breeding, racing, show purposes, or other special uses. A tariff filed with the Commission under subchapter IV of this chapter shall refer specifically to the action of the Commission under this section. *Ante*, pp. 1359, 1361, 1369.

§ 10731. Investigation of discriminatory rail rates for transportation of recyclable or recycled materials 49 USC 10731.

(a) In this section— Definitions.

(1) "recyclable material" means material collected or recovered from waste for a commercial or industrial use whether the collection or recovery follows end usage as a product.

(2) "virgin material" means raw material, including previously unused metal or metal ore, woodpulp or pulpwood, textile fiber or material, or other resource that, through the application

of technology, is or will become a source of raw material for commercial or industrial use.

(b) When appropriate, the Interstate Commerce Commission shall—

(1) investigate the rate structure for the transportation of recyclable or recycled materials and competing virgin material by rail carriers providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title and the manner in which that rate structure has been affected by successive general rate increases approved by the Commission for those carriers;

Ante, p. 1359.

(2) determine whether those rate increases affect any part of the rate structure in violation of section 10701 or 10741 of this title and order the rate found to be in violation of either of those sections removed from the rate structure; and

Proceedings, report to President and Congress.

(3) report to the President and Congress, in each of the annual reports of the Commission for 1978 and 1979, and in other appropriate reports, all proceedings started or completed under this subsection.

Public hearing.

(c) A determination under subsection (b)(2) of this section may be made only after a public hearing. During the hearing, the rail carriers have the burden of proving that rate increases that affect the rate structure applicable to the transportation of those competing materials comply with sections 10701 and 10741 of this title.

Research program, cooperation with Transportation Secretary.

(d) In cooperation with the Commission, the Secretary of Transportation shall maintain a research, development, and demonstration program to develop and improve transport terminal operations, transport service characteristics, transport equipment, and collection and processing methods to facilitate the competitive and efficient transportation of recyclable or recycled materials by rail carriers providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title.

SUBCHAPTER III—LIMITATIONS

49 USC 10741.

§ 10741. Prohibitions against discrimination by common carriers

(a) A common carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title may not charge or receive from a person a different compensation (by using a special rate, rebate, drawback, or another means) for a service rendered, or to be rendered, in transportation the carrier may perform under this subtitle than it charges or receives from another person for performing a like and contemporaneous service in the transportation of a like kind of traffic under substantially similar circumstances. A common carrier that charges or receives such a different compensation for that service unreasonably discriminates.

Ante, p. 1358.

(b) A common carrier providing transportation or service subject to the jurisdiction of the Commission under chapter 105 of this title may not subject a person, place, port, or type of traffic to unreasonable discrimination. However, subject to subsection (c) of this section, this subsection does not apply to discrimination against the traffic of another carrier providing transportation by any mode.

(c) A common carrier providing transportation subject to the jurisdiction of the Commission under subchapter I, II, or III of that

chapter may not subject a freight forwarder providing service subject to the jurisdiction of the Commission under subchapter IV of that chapter to unreasonable discrimination whether or not the freight forwarder is controlled by that carrier.

Ante, pp. 1359, 1361, 1365.
Ante, p. 1369.

(d) Differences between the rates, classifications, rules, and practices of water and rail common carriers in effect for their respective types of transportation do not constitute a violation of this section or an unfair or destructive competitive practice under this subtitle.

§ 10742. Facilities for interchange of traffic

49 USC 10742.

A common carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I or III of chapter 105 of this title shall provide reasonable, proper, and equal facilities that are within its power to provide for the interchange of traffic between, and for the receiving, forwarding, and delivering of passengers and property to and from, its respective line and a connecting line of another common carrier under either of those subchapters.

§ 10743. Payment of rates

49 USC 10743.

(a) Except as provided in subsection (b) of this section, a common carrier (except a pipeline or sleeping car carrier) providing transportation or service subject to the jurisdiction of the Interstate Commerce Commission under this subtitle shall give up possession at destination of property transported by it only when payment for the transportation or service is made.

(b)(1) Under regulations of the Commission governing the payment for transportation and service and preventing discrimination, those carriers may give up possession at destination of property transported by them before payment for the transportation or service. The regulations of the Commission may provide for weekly or monthly payment for transportation provided by motor common carriers and for periodic payment for transportation provided by water common carriers.

(2) Such a carrier (including a motor common carrier being used by a freight forwarder) may extend credit for transporting property for the United States Government, a State, a territory or possession of the United States, or a political subdivision of any of them.

§ 10744. Liability for payment of rates

49 USC 10744.

(a)(1) Liability for payment of rates for transportation for a shipment of property by a shipper or consignor to a consignee other than the shipper or consignor, is determined under this subsection when the transportation is provided by a rail, motor, or water common carrier under this subtitle. When the shipper or consignor instructs the carrier transporting the property to deliver it to a consignee that is an agent only, not having beneficial title to the property, the consignee is liable for rates billed at the time of delivery for which the consignee is otherwise liable, but not for additional rates that may be found to be due after delivery if the consignee gives written notice to the delivering carrier before delivery of the property—

(A) of the agency and absence of beneficial title; and

(B) of the name and address of the beneficial owner of the property if it is reconsigned or diverted to a place other than the place specified in the original bill of lading.

(2) When the consignee is liable only for rates billed at the time of delivery under paragraph (1) of this subsection, the shipper or consignor, or, if the property is reconsigned or diverted, the beneficial

owner, is liable for those additional rates regardless of the bill of lading or contract under which the property was transported. The beneficial owner is liable for all rates when the property is reconsigned or diverted by an agent but is refused or abandoned at its ultimate destination if the agent gave the carrier in the reconsignment or diversion order a notice of agency and the name and address of the beneficial owner. A consignee giving the carrier, and a reconsignor or diverter giving a rail carrier, erroneous information about the identity of the beneficial owner of the property is liable for the additional rates.

(b) Liability for payment of rates for transportation for a shipment of property by a shipper or consignor, named in the bill of lading as consignee, is determined under this subsection when the transportation is provided by a rail or express carrier under this subtitle. When the shipper or consignor gives written notice, before delivery of the property, to the line-haul carrier that is to make ultimate delivery—

(1) to deliver the property to another party identified by the shipper or consignor as the beneficial owner of the property; and

(2) that delivery is to be made to that party on payment of all applicable transportation rates;

that party is liable for the rates billed at the time of delivery and for additional rates that may be found to be due after delivery if that party does not pay the rates required to be paid under clause (2) of this subsection on delivery. However, if the party gives written notice to the delivering carrier before delivery that the party is not the beneficial owner of the property and gives the carrier the name and address of the beneficial owner, then the party is not liable for those additional rates. A shipper, consignor, or party to whom delivery is made that gives the delivering carrier erroneous information about the identity of the beneficial owner, is liable for the additional rates regardless of the bill of lading or contract under which the property was transported. This subsection does not apply to a prepaid shipment of property.

(c)(1) A rail carrier may bring an action to enforce liability under subsection (a) of this section. That carrier must bring the action during the period provided in section 11706(a) of this title or by the end of the 6th month after final judgment against it in an action against the consignee, or the beneficial owner named by the consignee or agent, under that section.

Post, p. 1452.

(2) A water common carrier may bring an action to enforce liability under subsection (a) of this section. That carrier must bring the action by the end of the 2d year after the claim accrues or by end of the 6th month after final judgment against it in an action against the consignee or beneficial owner named by the consignee by the end of that 2-year period.

(3) A rail or express carrier may bring an action to enforce liability under subsection (b) of this section. That carrier must bring the action during the period provided in section 11706(a) of this title or by the end of the 6th month after final judgment against it in an action against the shipper, consignor, or other party under that section.

49 USC 10745.

§ 10745. Continuous carriage of freight

A carrier providing transportation or service subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title may not enter a combination or arrangement to prevent the carriage of freight from being continuous from the place of shipment to the place of destination whether by change of time schedule, carriage in different cars, or by other means. The car-

Ante, p. 1359.

riage of freight by those carriers is considered to be a continuous carriage from the place of shipment to the place of destination when a break of bulk, stoppage, or interruption is not made in good faith for a necessary purpose, and with the intent of avoiding or unnecessarily interrupting the continuous carriage or of evading this subtitle.

§ 10746. Transportation of commodities manufactured or produced by a rail carrier 49 USC 10746.

A rail carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title may not transport from a State or territory or possession of the United States to another State, territory, or possession or a foreign country, an article or commodity that— *Ante*, p. 1359.

(1) is manufactured, mined, or produced by the carrier or under its authority; or

(2) is owned by the carrier or in which it has an interest.

However, a rail carrier may transport such an article or commodity when it is necessary and intended for use in the business of that carrier. This section does not apply to timber and products manufactured from timber. Timber products, exemption.

§ 10747. Transportation services or facilities furnished by shipper 49 USC 10747.

A carrier providing transportation or service subject to the jurisdiction of the Interstate Commerce Commission under chapter 105 of this title may publish in a tariff filed with the Commission under subchapter IV of this chapter a charge or allowance for transportation or service for property when the owner of the property, directly or indirectly, furnishes a service related to or an instrumentality used in the transportation or service. The Commission may prescribe the maximum reasonable charge or allowance a carrier subject to its jurisdiction may pay for a service or instrumentality furnished under this section. The Commission may begin a proceeding under this section on its own initiative or on application. *Ante*, p. 1358. *Ante*, p. 1369. Maximum charge or allowance. Proceeding.

§ 10748. Transportation of livestock by rail carrier 49 USC 10748.

(a) Transportation entirely by railroad of ordinary livestock in carload lots to public stockyards shall include necessary services of unloading and reloading in route, delivery of inbound shipments at those stockyards into suitable pens, and receiving and loading outbound shipments at those stockyards. A rail carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title may charge a shipper, consignee, or owner an extra amount for those services only if, under Commission regulations, the unloading or reloading in route is at the request of the shipper, consignee, or owner, to try an intermediate market, or to comply with quarantine regulations.

(b) Subsection (a) of this section does not affect the duties and liabilities of a rail carrier in existence on February 28, 1920, under a law related to the transportation of other than ordinary livestock or the duty of providing transportation for shipments other than shipments to or from public stockyards.

§ 10749. Exchange of services and limitation on use of common carriers by freight forwarders 49 USC 10749.

(a) A common carrier providing transportation or service subject to the jurisdiction of the Interstate Commerce Commission under chapter 105 of this title may contract with a telephone, telegraph, or cable company to exchange services.

(b) A freight forwarder providing service subject to the jurisdiction of the Commission under subchapter IV of chapter 105 of this title may use a carrier, including a carrier referred to in this subsection, to transfer, collect, or deliver in a terminal area. However, to provide other services, a freight forwarder may only use—

Ante, p. 1369.

(1) a rail, express, motor, or water common carrier providing transportation subject to the jurisdiction of the Commission under chapter 105 of this title including—

(A) a motor common carrier providing exempt transportation under section 10525 or 10526(a)(8) of this title; or

Ante, pp. 1363, 1365.

(B) a water common carrier providing exempt transportation under section 10542(a) of this title or transportation between places in Alaska or Hawaii and between those places and other places in the United States;

Ante, p. 1366.

(2) an air carrier subject to the jurisdiction of the Civil Aeronautics Board under chapter 20 of this title; or

49 USC 1301 *et seq.*

(3) the Alaska Railroad.

49 USC 10750.

§ 10750. Demurrage charges

Rules.

A rail carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title shall compute demurrage charges, and establish rules related to those charges, in a way that fulfills the national needs related to—

Ante, p. 1359.

(1) freight car use and distribution; and

(2) maintenance of an adequate supply of freight cars to be available for transportation of property.

SUBCHAPTER IV—TARIFFS AND TRAFFIC

49 USC 10761.

§ 10761. Transportation prohibited without tariff

(a) Except as provided in this subtitle, a carrier providing transportation or service subject to the jurisdiction of the Interstate Commerce Commission under chapter 105 of this title shall provide that transportation or service only if the rate for the transportation or service is contained in a tariff that is in effect under this subchapter. That carrier may not charge or receive a different compensation for that transportation or service than the rate specified in the tariff whether by returning a part of that rate to a person, giving a person a privilege, allowing the use of a facility that affects the value of that transportation or service, or another device.

Relief.

(b) The Commission may grant relief from subsection (a) of this section to contract carriers when relief is consistent with the public interest and the transportation policy of section 10101 of this title. The Commission may begin a proceeding under this subsection on application of a contract carrier or group of contract carriers and on its own initiative for a water contract carrier or group of water contract carriers.

Ante, p. 1337.
Proceeding.

49 USC 10762.

§ 10762. General tariff requirements

Rates, publication and filing.

(a)(1) A carrier providing transportation or service subject to the jurisdiction of the Interstate Commerce Commission under chapter 105 of this title (except a motor common carrier) shall publish and file with the Commission tariffs containing the rates and (A) if a common carrier, classifications, rules, and practices related to those rates, and (B) if a contract carrier, rules and practices related to those rates, established under this chapter for transportation or

service it may provide under this subtitle. A motor common carrier shall publish and file with the Commission tariffs containing the rates for transportation it may provide under this subtitle. The Commission may prescribe other information that motor common carriers shall include in their tariffs. A motor contract carrier that serves only one shipper and has provided continuous transportation to that shipper for at least one year may file only its minimum rates unless the Commission finds that filing of actual rates is required in the public interest.

Public inspection.

(2) Carriers that publish tariffs under paragraph (1) of this subsection shall keep them open for public inspection. A rate contained in a tariff filed by a common carrier providing transportation or service subject to the jurisdiction of the Commission under subchapter II, III, or IV of chapter 105 shall be stated in money of the United States. A tariff filed by a motor or water contract carrier or by a freight forwarder providing transportation or service subject to the jurisdiction of the Commission under subchapter II, III, or IV of that chapter, respectively, may not become effective for 30 days after it is filed.

Ante, pp. 1361, 1365, 1369.

Charges, identification.

(b) (1) The Commission shall prescribe the form and manner of publishing, filing, and keeping tariffs open for public inspection under this section. The Commission may prescribe specific charges to be identified in a tariff published by a common carrier providing transportation or service subject to its jurisdiction under subchapter I, III, or IV of that chapter, but those tariffs must identify plainly—

Ante, p. 1359.

(A) the places between which property and passengers will be transported;

(B) terminal, storage, and icing charges (stated separately) if a carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of that chapter;

(C) terminal charges if a common carrier providing transportation or service subject to the jurisdiction of the Commission under subchapter III or IV of that chapter;

(D) privileges given and facilities allowed; and

(E) any rules that change, affect, or determine any part of the published rate.

Joint tariffs, concurrence or acceptance.

(2) A joint tariff filed by a carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of that chapter shall identify the carriers that are parties to it. The carriers that are parties to a joint tariff, other than the carrier filing it, must file a concurrence or acceptance of the tariff with the Commission but are not required to file a copy of the tariff. The Commission may prescribe or approve what constitutes a concurrence or acceptance.

Proposed changes, notice.

(c) (1) When a common carrier providing transportation or service subject to the jurisdiction of the Commission (A) under subchapter I of chapter 105 of this title proposes to change a rate, or (B) under another subchapter of that chapter proposes to change a rate, classification, rule, or practice, the carrier shall publish, file, and keep open for public inspection a notice of the proposed change as required under subsections (a) and (b) of this section.

New or reduced rates, notice.

(2) When a contract carrier providing transportation subject to the jurisdiction of the Commission under subchapter II or III of chapter 105 of this title proposes to establish a new rate or to reduce a rate, directly or by changing a rule or practice related to the rate or the value of service under the rate, the carrier shall publish, file, and keep open for public inspection a notice of the new or reduced rate as required under subsections (a) and (b) of this section.

(3) A notice filed under this subsection shall plainly identify the proposed change or new or reduced rate and indicate its proposed effective date. A proposed change and a new or reduced rate may not become effective for 30 days after the notice is published, filed, and held open as required under subsections (a) and (b) of this section.

(d)(1) The Commission may reduce the 30-day period of subsections (a) and (c) of this section if cause exists. The Commission may change the other requirements of this section if cause exists in particular instances or as they apply to special circumstances.

Tariff simplification, regulations.

(2) The Commission may prescribe regulations for the simplification of tariffs by carriers providing transportation subject to its jurisdiction under subchapter I of chapter 105 of this title and permit them to change rates, classifications, rules, and practices without filing complete tariffs that cover matter that is not being changed when the Commission finds that action to be consistent with the public interest. Those carriers may publish new tariffs that incorporate changes or plainly indicate the proposed changes in the tariffs then in effect and kept open for public inspection. However, the Commission shall require that all rates of rail carriers and rail rate-making associations be incorporated in their individual tariffs by the end of the 2d year after initial publication of the rate, or by the end of the 2d year after a change in a rate becomes effective, whichever is later. The Commission may extend those periods if cause exists, but if it does, it must send a notice of the extension and a statement of the reasons for the extension to Congress. A rate not incorporated in an individual tariff as required by the Commission is void.

Extensions, statement to Congress.

Rejections.

(e) The Commission may reject a tariff submitted to it by a common carrier under this section if that tariff violates this section or regulation of the Commission carrying out this section.

Relief.

(f) The Commission may grant relief from this section to contract carriers when relief is consistent with the public interest and the transportation policy of section 10101 of this title. The Commission may begin a proceeding under this subsection on application of a contract carrier or group of contract carriers and on its own initiative for a water contract carrier or group of water contract carriers.

Ante, p. 1337.
Proceeding.

49 USC 10763.

§ 10763. Designation of certain routes by shippers or Interstate Commerce Commission

(a)(1) When a person delivers property to a rail carrier for transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title, the person may direct the carrier to transport the property over an established through route. When competing rail lines constitute a part of the route, the person shipping the property may designate the lines over which the property will be transported. The designation must be in writing. A carrier may be directed to transport property over a particular through route when—

Ante, p. 1359.

(A) there are at least 2 through routes over which the property could be transported;

(B) a through rate has been established for transportation over each of those through routes; and

(C) the carrier is a party to those routes and rates.

(2) A carrier directed to route property transported under paragraph (1) of this subsection must issue a through bill of lading containing the routing instructions and transport the property according to the instructions. When the property is delivered to a connecting carrier, that carrier must also receive and transport it according to

the routing instructions and deliver it to the next succeeding carrier or consignee according to the instructions.

(b) If no direction is made under subsection (a) of this section, the Commission may designate the route over which the property may be transported after arrival at the end of the route of one carrier or at a junction with the route of another carrier when the property is to be delivered to another carrier for further transportation. The Commission may act under this subsection when the public interest and a fair distribution of traffic require that action.

(c) The Commission may prescribe exceptions to the authority of a person to direct the movement of traffic under subsection (a) of this section. Exceptions.

§ 10764. Arrangements between carriers: copy to be filed with Interstate Commerce Commission 49 USC 10764.

(a)(1) A common carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title shall file with the Commission a copy of each arrangement related to transportation affected by this subtitle that the carrier has with another common carrier. The Commission may require other carriers and brokers subject to its jurisdiction under chapter 105 to file a copy of each arrangement related to transportation or service affected by this subtitle that they have with other persons. *Ante*, p. 1359.

(2) When the Commission finds that filing a class of arrangements by a carrier subject to its jurisdiction under subchapter I of that chapter is not necessary in the public interest, the Commission may except the class from paragraph (1) of this subsection. Exception.

(b) The Commission may disclose the existence or contents of an arrangement between a contract carrier and a shipper filed under subsection (a) of this section only if the disclosure is—

(1) limited to those parts of the arrangement that are necessary to indicate the extent of its failure to conform to a tariff then in effect under section 10762 of this title; or

(2) consistent with the public interest and made as a part of the record in a formal proceeding.

§ 10765. Water transportation under arrangements with certain other carriers 49 USC 10765.

(a) The Interstate Commerce Commission may require a common carrier providing transportation or service subject to its jurisdiction under chapter 105 of this title that makes an arrangement with a water carrier (whether or not subject to its jurisdiction under this subtitle) providing transportation from a port in the United States to another country for the through transportation of property from a place in the interior of the United States to another country to make similar arrangements with steamship lines that provide transportation from that port to that country.

(b) A carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title that transports property from a place in the United States through another country to a place in the United States shall publish and keep open for public inspection tariffs as required under section 10762 of this title. The tariffs shall identify the through rate established for that transportation to the United States from another country to which the carrier accepts property for shipment from the United States. Unless the through rates are available for public inspection under that section, Tariffs, publication and public inspection.

the property is subject to customs duties applicable to property produced in another country before the property may be admitted to the United States.

49 USC 10766.

§ 10766. Freight forwarder traffic agreements

(a) A freight forwarder providing service subject to the jurisdiction of the Interstate Commerce Commission under subchapter IV of chapter 105 of this title may agree with another freight forwarder to load traffic jointly between places served under this subtitle. However, the Commission may cancel, suspend, or require changes in the agreement when the Commission finds the agreement is inconsistent with the transportation policy of section 10101 of this title.

Ante, p. 1369.

Ante, p. 1337.

Contract, copy filing.

(b) A freight forwarder providing service subject to the jurisdiction of the Commission under that subchapter may contract with motor common carriers providing transportation subject to the jurisdiction of the Commission under subchapter II of that chapter, to provide transportation for the forwarder. A copy of that contract must be filed with the Commission. The contract may govern use by the freight forwarder of the services and instrumentalities of the motor common carrier and the compensation to be paid for the transportation. However, the parties to a contract must establish reasonable conditions and compensation that are consistent with the transportation policy of section 10101 of this title and do not unreasonably discriminate against a party or another freight forwarder. When a contract under this subsection governs line-haul transportation of property for a total distance of at least 450 highway miles in truckload lots between concentration and break-bulk places, the compensation paid to a motor common carrier under the contract may not be less than the rate for that transportation established under this chapter. When the Commission finds that a contract, or its conditions or compensation, under this subsection is or will be inconsistent with this subsection, the Commission shall prescribe consistent conditions and compensation.

Ante, p. 1361.

Conditions and compensation.

(c) The Commission may begin a proceeding under this section on its own initiative or on complaint.

SUBCHAPTER V—VALUATION OF PROPERTY

49 USC 10781.

§ 10781. Investigation and report by Interstate Commerce Commission

(a) The Interstate Commerce Commission shall investigate, establish, and report the value of all property owned or used by each carrier providing transportation subject to its jurisdiction under subchapter I of chapter 105 of this title, except a street, suburban, or interurban electric rail carrier not operated as a part of a general railroad system of transportation. However, the Commission may investigate, establish, and report the value of property owned or used by such an electric rail carrier when the Commission decides that action is desirable in the public interest. When the Commission makes an investigation required to be made under this section, it must—

Ante, p. 1359.

(1) inventory and list the property of that carrier in detail;

(2) indicate the value established under section 10782 of this title for that property; and

Classifications.

(3) classify the physical property under classifications that conform, as nearly as practicable, to the classification of expenditures prescribed by the Commission for railroads and equipment.

(b) Except as provided in subsection (a) of this section, the Commission may prescribe—

(1) the procedure to be followed when conducting an investigation under this subchapter;

(2) the form in which to submit the results of the valuation; and

(3) the classification of the elements that make up the established value.

The report for each investigation conducted under this subchapter shall indicate the value of the property of each common carrier as a whole and separately identify the value of its property in each State and territory and possession of the United States in which the property is located.

§ 10782. Requirements for establishing value 49 USC 10782.

(a) In carrying out an investigation of a common carrier required under section 10781 of this title, the Interstate Commerce Commission shall—

(1) establish, for each piece of property except land owned or used by the carrier as a common carrier, the original cost to date, cost of reproduction new and cost of reproduction less depreciation, and analyze the methods used to establish those costs and the reasons for differences among them;

(2) establish other values, and elements of value, of that property and analyze the methods used to establish them and the reasons for differences between them and the cost values established under clause (1) of this subsection;

(3) establish separately from improvements, the original cost on the date of dedication to public use, of all lands, rights of way, and terminals owned or used by the carrier as a common carrier and establish their current value;

(4) identify property not held by the carrier as a common carrier, its original cost, and current value and analyze the methods of valuation used;

(5) establish the amount and value of assistance or grant of right of way made to the carrier, or to a previous corporation that operated its property, by the United States Government or by a State, county, or municipal government, or by an individual, association, or corporation and the amount and value of any concession and allowance made by the United States Government or another of those governments in consideration of that assistance; and

(6) identify the grants of land to that carrier, or to a previous corporation that operated its property, by the United States Government, or by a State, county, or municipal government, the amount of money derived from the sale of part of those grants, the value of the unsold parts (established as of the date acquired and currently), and the amount and value of any concession and allowance made by the carrier to the United States Government, or another of those governments, in consideration of that assistance or grant of land.

(b) The Commission may prescribe elements to consider in establishing the cost to date of property owned or used by a carrier. However, in establishing that cost, the Commission shall investigate and include in those elements—

(1) the history and organization of the corporation that currently operates the property and of previous corporations that also operated that property;

(2) increases or decreases of securities during reorganization of that corporation or such a previous corporation;

(3) money received through the issuance of securities by that corporation or such a previous corporation;

(4) syndicating, banking, and other financial arrangements under which those securities were issued and the expenses thereof;

(5) the net and gross earnings of those corporations; and

(6) the expenditure of all money and the purposes of those expenditures in as much detail as the Commission determines to be necessary.

49 USC 10783.

§ 10783. Cooperation and assistance of carriers

(a) Each common carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title shall cooperate with and assist the Commission in valuing property under this subchapter. The Commission may order those carriers to—

Ante, p. 1359.

(1) give to the Commission maps, profiles, contracts, engineering reports, and other records to assist it in investigating and establishing the value of that carrier's property; and

(2) assist the Commission in valuing property under this subchapter in other ways, including giving its agents free access to its right-of-way, property, and records on request.

(b) A rail carrier whose property is being valued under this subchapter shall—

(1) transport employees of the United States Government who are making surveys and other examinations of the physical property of that carrier in the course of that valuation when reasonably required by them in the actual discharge of their duties;

(2) transport and store the cars of the United States Government that are used to house and maintain those employees when reasonably required during the valuation; and

(3) transport supplies necessary to maintain those employees and the property of the United States Government actually used on the railroad during the valuation.

Special service, compensation and accounting.

(c) The transportation required to be provided under subsection (b) of this section is considered a special service for which the Commission may prescribe the compensation to be paid. A rail carrier shall give the Commission an accurate accounting of the transportation provided under this section when required by the Commission.

Records inspection.

(d) The Commission shall keep records compiled under this subchapter open for public inspection. However, the Commission may order those records closed to the public but must state its reasons for closing them.

49 USC 10784.

§ 10784. Revision of property valuations

(a) When the Interstate Commerce Commission completes an initial valuation of property under this subchapter, it shall thereafter correct, revise, and supplement that valuation, including previous inventories and classifications, by keeping itself informed of new construction, changes in condition, quantity, use, and classification of

property on which an initial valuation was made and the cost of all improvements to, and changes in investment, in that property. The Commission may keep itself informed of current changes in costs and values of railroad property to carry out this section.

(b) The Commission may order a carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title to give it reports and information needed to carry out this section. Reports. *Ante*, p. 1359.

§ 10785. Finality of valuation: notice, protest, and review 49 USC 10785.

(a) The Interstate Commerce Commission shall notify the carrier, the Attorney General, and the chief executive officer of each State in which property being valued under this subchapter is located, of the completion of a tentative valuation of that property. The Commission may also notify other parties. The notice must be sent by certified mail and must indicate the valuation established for each of that carrier's classes of property. A valuation of property under this subchapter becomes final if a protest is not filed within 30 days after notice of the tentative valuation of that property is given. When the tentative valuation becomes final under this subsection, the effective date is the date of the tentative valuation.

(b) When a carrier files a protest of a tentative valuation, the Commission shall begin a proceeding to consider the protest. If the Commission decides that a tentative valuation should be changed, it may make the necessary changes. The tentative valuation, as changed, becomes final and is effective on the date of the final action of the Commission under this subsection. Proceeding.

(c) The Commission shall publish final valuations and classifications of property established under this subchapter. A final valuation or classification that has become effective under this subchapter is prima facie evidence of the value of the property in a proceeding under this subtitle and in a judicial proceeding to enforce, enjoin, set aside, annul, or suspend an action of the Commission. Publication.

(d) When evidence is introduced at the trial of an action involving a final valuation of property established by the Commission and found by the court to be different from the evidence offered to the Commission during a proceeding under subsection (b) of this section or in addition to that evidence and substantially affecting the valuation, the court shall send a copy of that evidence to the Commission and stay further proceedings in the action. The court may determine the duration of the stay of proceedings. The Commission shall consider the evidence and may change the final valuation established under this subchapter. The Commission shall complete its action and report to the court in the time determined by the court. If the Commission changes the valuation, the court must substitute the valuation as changed for the original valuation and give its judgment on the substituted valuation. If the Commission does not change the original valuation, the court must give judgment on the original valuation. New evidence.

§ 10786. Applicability 49 USC 10786.

In addition to common carriers providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title, this subchapter applies to receivers and operating trustees of those carriers.

CHAPTER 109—LICENSING

SUBCHAPTER I—RAILROADS AND FERRIES

Sec.
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SUBCHAPTER I—RAILROADS AND FERRIES

49 USC 10901.

§ 10901. Authorizing construction and operation of railroad lines

(a) A rail carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title may—

Ante, p. 1359

(1) construct an extension to any of its railroad lines;

(2) construct an additional railroad line;

(3) acquire or operate an extended or additional railroad line; or

(4) provide transportation over, or by means of, an extended or additional railroad line;

only if the Commission finds that the present or future public convenience and necessity require or will be enhanced by the construction or acquisition (or both) and operation of the railroad line.

Application, filing.

(b) A proceeding to grant authority under subsection (a) of this section begins when an application is filed. On receiving the application, the Commission shall—

(1) send a copy of the application to the chief executive officer of each State that would be directly affected by the construction or operation of the railroad line;

Publication in newspaper.

(2) send an accurate and understandable summary of the application to a newspaper of general circulation in each area that would be affected by the construction or operation of the railroad line;

Publication in Federal Register.

(3) have a copy of the summary published in the Federal Register;

(4) take other reasonable and effective steps to publicize the application; and

(5) indicate in each transmission and publication that each interested person is entitled to recommend to the Commission that it approve, deny, or take other action concerning the application.

(c)(1) If the Commission—

(A) finds public convenience and necessity, it may—

(i) approve the application as filed; or

(ii) approve the application with modifications and require compliance with conditions the Commission finds necessary in the public interest; or

(B) fails to find public convenience and necessity, it may deny the application.

(2) On approval, the Commission shall issue to the rail carrier a certificate describing the construction or acquisition (or both) and operation approved by the Commission. Certificate issuance.

§ 10902. Authorizing action to provide adequate, efficient, and safe facilities 49 USC 10902.

The Interstate Commerce Commission may authorize a rail carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title to take action necessary to provide adequate, efficient, and safe facilities to enable the rail carrier to perform its obligations under this subtitle, including extension of any of the carrier's railroad lines after issuance of a certificate under section 10901 of this title. The Commission may authorize a rail carrier to act under this section only if it finds that the expense involved will not impair the ability of the carrier to perform its obligations to the public. The Commission may conduct a proceeding on its own initiative or on application of an interested party. *Ante*, p. 1359. Proceeding.

§ 10903. Authorizing abandonment and discontinuance of railroad lines and rail transportation 49 USC 10903.

(a) A rail carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title may—

(1) abandon any part of its railroad lines; or

(2) discontinue the operation of all rail transportation over any part of its railroad lines;

only if the Commission finds that the present or future public convenience and necessity require or permit the abandonment or discontinuance. In making the finding, the Commission shall consider whether the abandonment or discontinuance will have a serious, adverse impact on rural and community development. Adverse impact.

(b)(1) A proceeding to grant authority under subsection (a) of this section begins on application filed with the Commission. Subject to sections 10904–10906 of this title, if the Commission— Proceeding.

(A) finds public convenience and necessity, it shall—

(i) approve the application as filed; or

(ii) approve the application with modifications and require compliance with conditions that the Commission finds are required by public convenience and necessity; or

(B) fails to find public convenience and necessity, it shall deny the application.

Certificate.

(2) On approval, the Commission shall issue to the rail carrier a certificate describing the abandonment or discontinuance approved by the Commission. Each certificate shall also contain provisions to protect the interests of employees. The provisions shall be at least as beneficial to those interests as the provisions established under section 11347 of this title and section 565(b) of title 45.

Post, p. 1439

(c) Except as provided in sections 10905 and 10906 of this title—

(1) if a certificate is issued without an investigation under section 10904(c) of this title, the abandonment or discontinuance may take effect under the certificate on the 30th day after the issuance of the certificate; or

(2) if a certificate is issued after an investigation under section 10904(c) of this title, the abandonment or discontinuance may take effect under the certificate on the 120th day after the issuance of the certificate.

49 USC 10904.

§ 10904. Filing and procedure for applications to abandon or discontinue

(a)(1) An application for a certificate of abandonment or discontinuance under section 10903 of this title, and a notice of intent to abandon or discontinue, must be filed with the Interstate Commerce Commission at least 60 days before the day on which the abandonment or discontinuance is to become effective.

(2) When a rail carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title files an application and notice of intent, the notice shall include—

(A) an accurate and understandable summary of the rail carrier's application and the reasons for the proposed abandonment or discontinuance; and

(B) a statement indicating that each interested person is entitled to recommend to the Commission that it approve, deny, or take other action concerning the application.

(3) The rail carrier shall—

(A) send by certified mail a copy of the notice of intent to the chief executive officer of each State that would be directly affected by the proposed abandonment or discontinuance;

(B) post a copy of the notice in each terminal and station on each portion of a railroad line proposed to be abandoned or over which all transportation is to be discontinued;

(C) publish a copy of the notice for 3 consecutive weeks in a newspaper of general circulation in each county in which each such portion is located;

(D) mail a copy of the notice, to the extent practicable, to all shippers that have made significant use (as designated by the Commission) of the railroad line during the 12 months preceding the filing of the application; and

(E) attach to the notice filed with the Commission an affidavit certifying the manner in which clauses (A)–(D) of this paragraph have been satisfied.

(b) The burden is on the person applying for the certificate to prove that the present or future public convenience and necessity require or permit the abandonment or discontinuance.

(c)(1) During the period between the date the application is filed through the day immediately before the date proposed in the application that the abandonment or discontinuance become effective, the Commission shall, on petition, and may, on its own initiative, begin

an investigation to assist it in determining what disposition to make of the application. The order to conduct the investigation must be served on any affected rail carrier not later than the 5th day before the proposed effective date of the abandonment or discontinuance. An investigation may include public hearings at any location reasonably adjacent to the railroad line involved in the abandonment or discontinuance. The hearing may be held on the request of an interested party or on the initiative of the Commission.

(2) If an investigation is not conducted, the Commission shall act under section 10903(b) of this title by the last day of the period referred to in paragraph (1) of this subsection. If an investigation is to be conducted, the Commission shall postpone the proposed effective date of any part of the abandonment or discontinuance. The postponement shall be for a reasonable period of time necessary to complete the investigation.

(d)(1) In this subsection, "potentially subject to abandonment" has the meaning given the term in regulations of the Commission. The regulations may include standards that vary by region of the United States and by railroad or group of railroads. "Potentially subject to abandonment."

(2) Each rail carrier shall maintain a complete diagram of the transportation system operated, directly or indirectly, by the carrier. The carrier shall submit to the Commission and publish amendments to its diagram that are necessary to maintain the accuracy of the diagram. The diagram shall—

(A) include a detailed description of each of its railroad lines potentially subject to abandonment; and

(B) identify each railroad line for which the carrier plans to file an application for a certificate under subsection (a) of this section.

(3) If an application for a certificate is opposed by—

(A) a shipper or other person that has made significant use (as determined by the Commission) of the railroad line involved in the proposed abandonment or discontinuance during the 12-month period before the filing of the application for a certificate; or

(B) a State or political subdivision of a State in which any part of the railroad line is located;

the Commission may issue a certificate under section 10903 of this title only if the railroad line has been described and identified in the diagram or amendment to the diagram of the rail carrier that was submitted to the Commission at least 4 months before the date on which the application was filed.

§ 10905. Offers of financial assistance to avoid abandonment and discontinuance 49 USC 10905.

(a) In this section—

(1) "avoidable cost" means all expenses that would be incurred by a rail carrier in providing transportation that would not be incurred if the railroad line over which the transportation was provided were abandoned or if the transportation were discontinued. Expenses include cash inflows foregone and cash outflows incurred by the rail carrier as a result of not abandoning or discontinuing the transportation. Cash inflows foregone and cash outflows incurred include— "Avoidable cost."

(A) working capital and required capital expenditure;

(B) expenditures to eliminate deferred maintenance;

(C) the current cost of freight cars, locomotives, and other equipment; and

(D) the foregone tax benefits from not retiring properties from rail service and other effects of applicable Federal and State income taxes.

"Reasonable return."

(2) "reasonable return" means—

(A) if a rail carrier is not in reorganization, the cost of capital to the rail carrier, as determined by the Interstate Commerce Commission; and

(B) if a rail carrier is in reorganization, the mean cost of capital of rail carriers not in reorganization, as determined by the Commission.

Publication in Federal Register.

(b) When the Commission finds under section 10903 of this title that the present or future public convenience and necessity require or permit abandonment or discontinuance, it shall publish the finding in the Federal Register. If, within 30 days after the publication, the Commission finds that—

(1) a financially responsible person (including a governmental authority) has offered financial assistance to enable the rail transportation to be continued over that part of the railroad line to be abandoned or over which all rail transportation is to be discontinued; and

(2) it is likely that the assistance would be equal to—

(A) the difference between the revenues attributable to that part of the railroad line and the avoidable cost of providing rail freight transportation on the line, plus a reasonable return on the value of the line; or

(B) the acquisition cost of that part of the railroad line;

the Commission shall postpone the issuance of a certificate authorizing abandonment or discontinuance for a reasonable time, not to exceed 6 months, to enable the person or governmental authority to enter into an agreement with the rail carrier to provide the assistance or to buy that part of the railroad line and to continue to provide rail transportation over the line. Thereafter, the Commission shall determine the extent to which the avoidable cost of providing rail transportation plus a reasonable return on the rail properties involved exceed the revenues attributable to the railroad line or the rail transportation proposed to be abandoned or discontinued. On notice to the Commission that such an agreement has been executed, the Commission shall further postpone the issuance of the certificate as long as the agreement, or an extension or modification of the agreement, is in effect.

(c) The rail carrier shall provide promptly to a party considering offering financial assistance under subsection (b) of this section—

(1) its most recent reports on the physical condition of that part of the railroad line involved in the proposed abandonment or discontinuance; and

(2) traffic, revenue, and other data necessary to determine the amount of financial assistance that would be required to continue rail transportation over that part of the railroad line.

49 USC 10906.

§ 10906. Offering abandoned rail properties for sale for public purposes

When the Interstate Commerce Commission finds under section 10903 of this title that the present or future public convenience and necessity require or permit abandonment or discontinuance, the Commission shall find further whether the rail properties that are in-

volved in the proposed abandonment or discontinuance are suitable for use for public purposes, including highways, other forms of mass transportation, conservation, energy production or transmission, or recreation. If the Commission finds that the rail properties proposed to be abandoned are suitable for public purposes, the properties may be sold, leased, exchanged, or otherwise disposed of only under conditions provided in the order of the Commission. The conditions may include a prohibition on any such disposal for a period of not more than 180 days after the effective date of the order, unless the properties have first been offered, on reasonable terms, for sale for public purposes.

§ 10907. Exceptions

49 USC 10907.

(a) Notwithstanding sections 10901 and 10902 and subchapter III of chapter 113 of this title, and without the approval of the Interstate Commerce Commission, a rail carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title may enter into arrangements for the joint ownership or joint use of spur, industrial, team, switching, or side tracks. *Ante*, p. 1359.

(b) The Commission does not have authority under sections 10901–10906 of this title over—

(1) the construction, acquisition, operation, abandonment, or discontinuance of spur, industrial, team, switching, or side tracks if the tracks are located, or intended to be located, entirely in one State; or

(2) a street, suburban, or interurban electric railway that is not operated as part of a general system of rail transportation.

§ 10908. Discontinuing or changing interstate train or ferry transportation subject to State law

49 USC 10908.

(a) When a discontinuance or change in any part of the transportation of a train or ferry operating between a place in a State and a place in another State—

(1) is proposed by a carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title; and

(2) is subject to the law of a State, or to a regulation or order of, or proceeding pending before, a court or other authority of a State;

the carrier, notwithstanding that law, regulation, order, or proceeding, may discontinue or change the transportation—

(A) if it files a notice of the proposed discontinuance or change with the Commission at least 30 days before the discontinuance or change is intended to be effective and carries out the discontinuance or change under that notice;

(B) if it mails a copy of the notice to the chief executive officer of each State in which the train or ferry is operated and posts a copy of the notice at each station, depot, or other facility served by the train or ferry; and

(C) except as otherwise provided by the Commission under this section.

(b) On petition or on its own initiative, the Commission may conduct a proceeding on the proposed discontinuance or change if it begins the proceeding between the date the carrier files the notice under subsection (a) of this section and the date on which the discontinuance or

change is intended to be effective. After the proceeding begins, the Commission may order the carrier proposing the discontinuance or change to continue any part of the transportation pending completion of the proceeding and the decision of the Commission if the Commission serves a copy of its order on the carrier at least 10 days before the date on which the carrier intended the discontinuance or change to be effective. However, the Commission may not order the transportation continued for more than 4 months after the date on which the carrier intended the discontinuance or change to be effective.

(c) If, after a proceeding completed either before or after the proposed discontinuance or change has become effective, the Commission finds that any part of the transportation is required or permitted by present or future public convenience and necessity and will not unreasonably burden interstate or foreign commerce, the Commission may order the carrier to continue or restore that transportation for not to exceed one year from the date of the Commission order. On expiration of the Commission order, the jurisdiction of each State involved in the discontinuance or change is no longer superseded except to the extent this section is again invoked.

49 USC 10909.

§ 10909. Discontinuing or changing train or ferry transportation in one State

(a) When a carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title has proposed a discontinuance or change of any part of the transportation of a train or ferry operated by it entirely in one State and—

Ante, p. 1359.

(1) the law of the State prohibits the discontinuance or change;

(2) the carrier has requested the State authority having jurisdiction over the discontinuance or change for permission to discontinue or change the transportation and the request has been denied; or

(3) the State authority has not acted finally by the 120th day after the carrier made the request;

the carrier may petition the Commission for permission to discontinue or change the transportation.

Notification.

(b) When a petition is filed under subsection (a) of this section, the Commission shall notify the chief executive officer of the State in which the train or ferry is operated concerning the petition. Before acting on the petition, the Commission shall give interested parties a full hearing. If such a hearing is requested, the Commission shall give all interested parties at least 30 days notice of the hearing and shall hold the hearing in the State in which the train or ferry is operated. The Commission may cooperate with, and use the services, records, and facilities of, the State in carrying out this section.

Hearing opportunity.

(c) The Commission may grant permission to the carrier to discontinue or change any part of the transportation if the Commission finds that—

(1) the present or future public convenience and necessity require or permit the discontinuance or change to be authorized by the Commission; and

(2) continuing the transportation, without the proposed discontinuance or change, will constitute an unreasonable burden on the interstate operations of the carrier or on interstate commerce.

SUBCHAPTER II—OTHER CARRIERS AND MOTOR CARRIER BROKERS

§ 10921. Requirement for certificate, permit, or license

49 USC 10921.

Except as provided in this subchapter or another law, a person may provide transportation or service subject to the jurisdiction of the Interstate Commerce Commission under subchapter II, III, or IV of chapter 105 of this title or be a broker for transportation subject to the jurisdiction of the Commission under subchapter II of that chapter, only if the person holds the appropriate certificate, permit, or license issued under this subchapter authorizing the transportation or service.

Ante, pp. 1361, 1365, 1369.

§ 10922. Certificates of motor and water common carriers

49 USC 10922.

(a) Except as provided in this section and section 10930(a) of this title, the Interstate Commerce Commission shall issue a certificate to a person authorizing that person to provide transportation subject to the jurisdiction of the Commission under subchapter II or III of chapter 105 of this title as a motor common carrier or water common carrier, respectively, if the Commission finds that—

(1) the person is fit, willing, and able—

(A) to provide the transportation to be authorized by the certificate; and

(B) to comply with this subtitle and regulations of the Commission; and

(2) the transportation to be provided under the certificate is or will be required by the present or future public convenience and necessity.

(b) A person must file an application with the Commission for a certificate to provide transportation as a motor common carrier or water common carrier. The Commission may approve any part of the application or deny the application. The application must—

Applications.

(1) be under oath;

(2) contain information required by Commission regulations; and

(3) be served on persons designated by the Commission.

(c)(1) Subject to section 10927(a) of this title, each certificate issued to a person to provide transportation as a motor common carrier shall specify—

(A) the transportation to be provided by the carrier;

(B) any of the regular routes over which, any of the places between which, and off-route places at which, the carrier may provide transportation; and

(C) if transportation is not over regular routes or between specified places, the area in which the carrier may provide transportation.

(2) Under regulations of the Commission, a motor common carrier may occasionally deviate from the regular routes, or the places specified in the certificate, or both.

(3) If a motor common carrier transports passengers, the Commission may authorize transportation of the passengers only over a regular route and between specified places, except to the extent the carrier is authorized to provide special or charter transportation.

(4) A certificate of a motor common carrier to transport passengers may include authority to transport—

(A) newspapers, baggage of passengers, express, or mail in the same motor vehicle with the passengers; and

(B) baggage of passengers in a separate motor vehicle.

(d) Each certificate issued to a person to provide transportation as a water common carrier shall specify each route over which, and each port between which, the carrier may provide transportation.

(e)(1) A motor common carrier may provide transportation under a certificate only if the carrier complies with conditions the Commission finds are required by public convenience and necessity, including conditions—

(A) on extending routes of the carrier; and

(B) to carry out requirements established by the Commission under this subtitle.

(2) The Commission may prescribe necessary conditions under which a water common carrier provides transportation, including conditions on extending routes of the carrier.

(3) The Commission may prescribe conditions when the certificate is issued and at any time thereafter. The Commission may not prescribe a condition preventing—

(A) a motor common carrier or water common carrier from adding to its equipment and facilities or its transportation within the scope of the certificate to satisfy business development and public demand; or

(B) a water common carrier, if the carrier has authority to provide transportation over completed parts of a waterway project authorized under law, from extending its transportation over the uncompleted parts of the project when opened for navigation to satisfy business development and public demand.

(f) A certificate issued under this section does not confer a proprietary or exclusive right to use the public highways or public waterways.

49 USC 10923.

§ 10923. Permits of motor and water contract carriers and freight forwarders

(a) Except as provided in this section and section 10930 of this title, the Interstate Commerce Commission shall issue a permit to a person authorizing the person to provide transportation subject to the jurisdiction of the Commission under subchapter II or III of chapter 105 of this title as a motor contract carrier or water contract carrier, respectively, or to provide service subject to that jurisdiction under subchapter IV of chapter 105 as a freight forwarder, if the Commission finds that—

Ante, pp. 1361, 1365.

Ante, p. 1369.

(1) the person is fit, willing, and able—

(A) to provide the transportation or service to be authorized by the permit; and

(B) to comply with this subtitle and regulations of the Commission; and

(2) the transportation or service to be provided under the permit is or will be consistent with the public interest and the transportation policy of section 10101 of this title.

Ante, p. 1337.

Applications.

(b)(1) A person must file an application with the Commission for a permit to provide transportation as a contract carrier or to provide service as a freight forwarder. The Commission may approve any part of the application or deny the application. The application must—

(A) be under oath;

(B) contain information required by Commission regulations; and

(C) be served on persons designated by the Commission.

(2) In deciding whether to approve the application of a person for a permit as a motor contract carrier, the Commission shall consider—

(A) the number of shippers to be served by the carrier;

(B) the nature of the transportation proposed to be provided;

(C) the effect that granting the permit would have on the transportation of carriers protesting the granting of the permit; and

(D) the effect that denying the permit would have on the person applying for the permit, its shippers, or both, and the changing character of the requirements of those shippers.

(3) The Commission may not deny any part of an application for a freight forwarder permit filed by a corporation controlled by, or under common control with—

(A) a common carrier providing transportation subject to the jurisdiction of the Commission under subchapter I, II, or III of chapter 105 of this title, because of the relationship between the corporation and that carrier; and

(B) a common carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 only because the service to be provided by the corporation will compete with service provided by another freight forwarder subject to subchapter IV of that chapter.

Ante, pp. 1359, 1361, 1365.

Ante, p. 1369.

(c) Each permit issued to a person—

(1) to provide transportation as a motor contract carrier is subject to section 10927(a) of this title and shall specify the transportation to be provided by the carrier;

(2) to provide transportation as a water contract carrier shall specify the transportation to be provided by the carrier; and

(3) to provide service as a freight forwarder shall specify the nature or general description about which the service is to be provided, the area in which, and the areas between which, the service may be provided by the freight forwarder.

(d)(1) The Commission may prescribe necessary conditions under which a contract carrier or freight forwarder provides transportation or service. The Commission may prescribe the conditions when the permit is issued and at any time thereafter.

(2) The permit for a motor contract carrier shall specify necessary conditions, including each person or number or class of persons for which the carrier may provide transportation—

(A) to ensure that the carrier provides transportation as a motor contract carrier and within the scope of the permit; and

(B) to carry out requirements established by the Commission under this subtitle.

(3) Subject to the permit and its conditions, a motor contract carrier may substitute or add to its equipment and facilities as requests for its transportation develop. The Commission may not prescribe a condition preventing—

(A) a water contract carrier from substituting or adding contracts within the scope of the permit to satisfy the requirements of business development and public demand; and

(B) a water contract carrier or freight forwarder from adding to its equipment and facilities, and transportation or service, as

the case may be, within the scope of the permit to satisfy the requirements of business development and public demand.

49 USC 10924.

§ 10924. Licenses of motor carrier brokers

(a) The Interstate Commerce Commission shall issue, subject to section 10927(b) of this title, a license to a person authorizing the person to be a broker for transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title, if the Commission finds that—

Ante, p. 1361.

(1) the person is fit, willing, and able—

(A) to be a broker for transportation to be authorized by the license; and

(B) to comply with this subtitle and regulations of the Commission; and

(2) the transportation for which the person is to be a broker will be consistent with the public interest and the transportation policy of section 10101 of this title.

Ante, p. 1337.

(b)(1) The broker may provide the transportation itself only if the broker also has been issued a certificate or permit to provide the transportation under this subchapter. A broker may use only the transportation of a motor carrier holding a certificate or permit issued under this subchapter.

(2) This subsection does not apply to a motor carrier having a certificate or permit issued under this subchapter or to an employee or agent of the motor carrier to the extent the transportation is to be provided entirely by the motor carrier, with other motor carriers holding certificates or permits, or with rail, express, or water common carriers.

(c) A person must file an application with the Commission for a license to be a broker for motor carrier transportation. The Commission may approve the application or any part of it, or deny the application.

(d) Commission regulations shall provide for the protection of travelers and shippers by motor vehicle, to be observed by brokers.

49 USC 10925.

§ 10925. Effective periods of certificates, permits, and licenses

(a) Each certificate, permit, and license issued under section 10922, 10923, or 10924 of this title is effective from the date specified in it and remains in effect except as otherwise provided in this section.

(b) On application of the holder of a certificate, permit, or license, the Interstate Commerce Commission may amend or revoke any part of the certificate, permit, or license. On complaint or on its own initiative and after notice and an opportunity for a proceeding, the Commission may suspend, amend, or revoke any part of a certificate, permit, or license—

(1) if a motor carrier, broker, or freight forwarder, for willful failure to comply with this subtitle, a regulation or order of the Commission, or a condition of its certificate, permit, or license; and

(2) if a water carrier, for willful failure to comply with section 10701(a) or 11101(a) of this title, a regulation or order of the Commission, or a condition of its certificate or permit.

Ante, p. 1371.

(c)(1) Except on application of the holder, the Commission may revoke a certificate or permit of a motor carrier or freight forwarder, or a license of a broker, only after the Commission has issued an order to the holder under section 11701 of this title requiring compliance with this subtitle, a regulation of the Commission, or a condition of the

Post, p. 1449.

certificate, permit, or license of the holder, and the holder willfully does not comply with the order.

(2) Except on application of the holder, the Commission may suspend, amend, or revoke a certificate or permit of a water carrier only after the Commission has issued an order to the holder under section 11701 of this title requiring compliance with section 10701(a) or 11101(a) of this title, and the holder willfully does not comply with the order.

Post, p. 1449.
Ante, p. 1371.

(3) The Commission may act under paragraph (1) or (2) of this subsection only after giving the holder of the certificate, permit, or license at least 30 days to comply with the order.

(d)(1) Without regard to subchapter II of chapter 103 of this title and subchapter II of chapter 5 of title 5, the Commission may suspend a certificate of a motor carrier, a permit of a freight forwarder, or a license of a broker—

Ante, p. 1345.
5 USC 551.

(A) if a motor carrier or broker, for failure to comply with section 10701, 10702, 10761, 10762, 10924(d), or 10927 (b) or (d) of this title, or an order or regulation of the Commission prescribed under those sections; and

Ante, pp. 1371, 1372, 1394.

(B) if a freight forwarder, for failure to comply with section 10762 or 10927 (c) or (d) of this title, or an order or regulation of the Commission prescribed under those sections.

(2) The Commission may suspend the certificate, permit, or license only after it gives notice of the suspension to the holder at least 15 days before the date the suspension is to begin. The suspension remains in effect until the holder complies with those applicable sections.

§ 10926. Transfers of certificates and permits

49 USC 10926.

Except as provided in this subtitle, a certificate or permit issued under section 10922 or 10923 of this title—

(1) if a certificate or permit of a motor carrier, may be transferred under regulations of the Interstate Commerce Commission;

(2) if a certificate or permit of a water carrier, may be transferred under regulations prescribed by the Commission to protect the public interest and to ensure compliance with this subtitle; and

(3) if a permit of a freight forwarder, may be transferred under regulations prescribed by the Commission to ensure compliance with this subtitle, if the Commission finds that the person to whom the permit is to be transferred satisfies section 10923 (a) and (b) of this title. However, if the proposed transfer would affect the interests of employees of a freight forwarder, the Commission shall require a fair and equitable arrangement to protect the interests of those employees before the transfer is effective.

§ 10927. Security of motor carriers, brokers, and freight forwarders

49 USC 10927.

(a)(1) The Interstate Commerce Commission may issue a certificate or permit to a motor carrier under section 10922 or 10923 of this title only if the carrier files with the Commission a bond, insurance policy, or other type of security approved by the Commission. The security must be sufficient to pay, not more than the amount of the security, for each final judgment against the carrier for bodily injury to, or death of, an individual resulting from the negligent operation, maintenance, or use of motor vehicles under the certificate or permit, or for loss or damage to property (except property referred to in

paragraph (3) of this subsection), or both. A certificate or permit remains in effect only as long as the carrier satisfies the requirements of this paragraph.

(2) A motor carrier operating in the United States when providing transportation between places in a foreign country or between a place in one foreign country and a place in another foreign country shall comply with the requirements of sections 10329 and 10330 that apply to a motor carrier providing transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title. To protect the public, the Commission may require any such motor carrier to file the type of security that a motor carrier is required to file under paragraph (1) of this subsection.

Ante, pp. 1351, 1352.

(3) The Commission may require a motor common carrier providing transportation under a certificate to file with the Commission a type of security sufficient to pay a shipper or consignee for damage to property of the shipper or consignee placed in the possession of the motor common carrier as the result of transportation provided under this subtitle. A carrier required by law to pay a shipper or consignee for loss, damage, or default for which a connecting motor common carrier is responsible is subrogated, to the extent of the amount paid, to the rights of the shipper or consignee under any such security.

(b) The Commission may issue a broker's license to a person under section 10924 of this title only if the person files with the Commission a bond, insurance policy, or other type of security approved by the Commission to ensure that the transportation for which a broker arranges is provided. The license remains in effect only as long as the broker complies with this subsection.

(c)(1) The Commission may require a freight forwarder providing service under a permit issued under section 10923 of this title to file with the Commission a bond, insurance policy, or other type of security approved by the Commission. The security must be sufficient to pay, not more than the amount of the security, for each final judgment against the freight forwarder for bodily injury to, or death of, an individual, or loss of, or damage to, property (other than property referred to in paragraph (2) of this subsection), resulting from the negligent operation, maintenance, or use of motor vehicles by or under the direction and control of the freight forwarder when providing transfer, collection, or delivery service under this subtitle.

(2) The Commission may require a freight forwarder providing service under a permit to file with the Commission a bond, insurance policy, or other type of security approved by the Commission sufficient to pay, not more than the amount of the security, for loss of, or damage to, property for which the freight forwarder provides service under this subtitle.

(d) The Commission may determine the type and amount of security filed with it under this section.

49 USC 10928.

§ 10928. Temporary authority for motor and water carriers

5 USC 551.

Without regard to subchapter II of chapter 103 of this title and subchapter II of chapter 5 of title 5, the Interstate Commerce Commission may grant a motor carrier or water carrier temporary authority to provide transportation to a place or in an area having, respectively, no motor carrier or water carrier capable of meeting the immediate needs of the place or area. Unless suspended or revoked, the Commission may grant the temporary authority for not more than 180 days. A grant of temporary authority does not establish a pre-

sumption that permanent authority to provide transportation will be granted under this subchapter.

§ 10929. Temporary authority for previously exempt water transportation 49 USC 10929.

When transportation exempt from the jurisdiction of the Interstate Commerce Commission under section 10544(a)–(c) of this title becomes subject to the jurisdiction of the Commission, the water carrier may continue to provide the transportation without a certificate or permit issued under this subchapter for a period of 120 days beginning on the day the transportation becomes subject to the jurisdiction of the Commission. If the carrier applies to the Commission within that period for a certificate or permit to provide the transportation previously exempt, the Commission shall issue to the carrier the appropriate certificate or permit authorizing the transportation. The Commission shall issue each such certificate and permit without regard to subchapter II of chapter 103 of this title and subchapter II of chapter 5 of title 5.

Ante, p. 1368.

Ante, p. 1345.
5 USC 551.

§ 10930. Limitations on certificates and permits 49 USC 10930.

(a) Except when the Interstate Commerce Commission finds good cause consistent with the public interest and the transportation policy of section 10101 of this title—

Ante, p. 1337.

(1) a person may not hold both a certificate of a motor common carrier and a permit of a motor contract carrier issued under this subchapter, or both a certificate of a water common carrier and a permit of a water contract carrier issued under this subchapter, to transport property over the same route or in the same area; and

(2) if a person controls, is controlled by, or is under common control with, another person—

(A) one of them may not hold a certificate of a motor common carrier, while the other holds a permit of a motor contract carrier, to transport property over the same route or in the same area; and

(B) one of them may not hold a certificate of a water common carrier, while the other holds a permit of a water contract carrier, to transport property over the same route or in the same area.

(b)(1) A person may not hold a permit of a freight forwarder issued under this subchapter if the person is a common carrier providing transportation subject to the jurisdiction of the Commission under subchapter I, II, or III of chapter 105 of this title.

(2) Except for motor vehicle transportation subject to the jurisdiction of the Commission under subchapter IV of chapter 105 of this title by section 10523(a)(2) of this title, a permit may not authorize a freight forwarder to conduct direct rail, water, or motor carrier transportation subject to the jurisdiction of the Commission under subchapter I, II, or III of that chapter.

Ante, pp. 1359, 1361, 1365.
Ante, p. 1369.
Ante, p. 1362.

(3) Except when the Commission finds that service to be provided as a freight forwarder is consistent with the public interest and the transportation policy of section 10101 of this title, a person may not hold a permit of a freight forwarder when—

(A) the principal business of the person is manufacturing and selling, or buying and selling, or both manufacturing and selling and buying and selling articles or commodities, and the service

of a freight forwarder (or similar assembling, consolidating, and shipping service is provided by the person for its own business) is commonly used to transport the articles or commodities; or

(B) the person controls, is controlled by, or is under common control with, a person referred to in clause (A) of this paragraph.

49 USC 10931.

§ 10931. Motor common carriers providing transportation entirely in one State

(a) A motor common carrier may provide transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter II of chapter 105 of this title without a certificate issued by the Commission under section 10922 of this title, when—

Ante, p. 1361.

(1) the carrier provides transportation entirely in one State;

(2) the carrier is not controlled by, controlling, or under common control with a carrier providing transportation outside the State;

(3) the carrier has applied for, and has been issued, a certificate of public convenience and necessity by the State authority having jurisdiction to issue such a certificate, permitting the carrier to provide intrastate transportation by motor vehicle; and

(4) the intrastate certificate was issued after, and the certificate states that—

Publication in Federal Register.

(A) notice was given to interested parties through publication in the Federal Register of the filing of the application by the carrier and the desire of the carrier to provide transportation otherwise under the jurisdiction of the Commission within the limits of the certificate issued by the State authority;

(B) reasonable opportunity to be heard was given; and

(C) the State authority considered and found that the public convenience and necessity require that the carrier be permitted to provide transportation under the jurisdiction of the Commission within limits that do not exceed the scope of the certificate issued by the State authority.

Petitions.

(b) An interested party that opposed issuing the certificate to a motor common carrier in a proceeding before a State authority may petition the Commission for reconsideration of a decision of the State authority. On reconsideration, the Commission, based on the record before the State authority, may affirm, reverse, or change that decision, but only with respect to the transportation subject to Commission jurisdiction.

(c) The Commission may require, before a motor common carrier provides transportation authorized under this section, that—

(1) a certified copy of the carrier's intrastate certificate and other appropriate information be filed with the Commission; and

(2) the carrier comply with applicable requirements established by the Commission.

Certificates of registration.

(d) (1) The Commission shall issue a certificate of registration to a motor common carrier authorizing the carrier to provide transportation under this section. The authority granted under the certificate is subject to all other applicable provisions of this subtitle. Except as otherwise provided in this subsection and subchapter III of chapter 113 of this title, the certificate of registration may be transferred if it is transferred with the intrastate certificate. Transfer of the intrastate certificate without the certificate of registration revokes the certificate of registration.

(2) The certificate of registration issued by the Commission is valid as long as the motor common carrier provides transportation entirely in the State from which it received its intrastate certificate and is not controlled by, controlling, or under common control with, a carrier providing transportation outside the State.

(e)(1) On the 180th day after the termination, restriction in scope, or suspension of the intrastate certificate, the authority granted under this section to provide transportation is revoked or likewise restricted unless the intrastate certificate is renewed or reissued or the restriction is removed by that 180th day.

(2) Transportation authorized under this section may be suspended or revoked by the Commission under section 10925 of this title.

§ 10932. Motor carrier savings provisions 49 USC 10932.

(a) Except as specifically provided in a certificate or permit, the holder of a motor carrier certificate or permit issued as the result of an application filed before September 2, 1950, authorizing the carrier to provide transportation in the United States or between the United States and a foreign country (to the extent the transportation is in the United States), may provide the transportation between a place in the United States and a place in a territory or possession of the United States—

(1) without being authorized to do so by the Interstate Commerce Commission; and

(2) to the same extent and subject to the same conditions of the certificate or permit of the carrier.

(b)(1) A motor common carrier providing transportation under an intrastate certificate issued by a State and under a certificate of registration issued by the Commission under section 206(a)(7) of the Interstate Commerce Act (76 Stat. 912) that has been in effect since October 15, 1962, may continue to provide transportation otherwise subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title— *Post*, p. 1466. *Ante*, p. 1361.

(A) if the certificate of the State authorizing intrastate transportation is limited to a specified period of time, only for that period;

(B) subject to all other applicable provisions of this subtitle;

(C) as long as the carrier provides transportation only in the State issuing the intrastate certificate; and

(D) as long as the carrier is not controlled by, controlling, or under common control with, a carrier providing transportation outside the State.

(2) Except as provided in subchapter III of chapter 113 of this title, the certificate of registration issued by the Commission may be transferred if it is transferred with the intrastate certificate. Transfer of the intrastate certificate without the certificate of registration revokes the certificate of registration.

(3) On the 180th day after the termination, restriction in scope, or suspension of the intrastate certificate, the authority granted under the certificate of registration is revoked or likewise restricted unless the intrastate certificate is renewed or reissued or the restriction is removed by that 180th day. The certificate of registration may be suspended or revoked by the Commission under section 10925 of this title.

(c) Under regulations of the Commission, a motor common carrier transporting passengers under a certificate issued by the Commission

as the result of an application filed before January 2, 1967, or under a reissuance of the operating authority provided in the certificate, may provide transportation to any place subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title for special and chartered parties.

(d) The Commission may not prescribe a condition for a motor contract carrier permit issued before August 23, 1957, that restricts the authority of the carrier—

(1) to substitute similar contracts within the scope of the permit; or

(2) to add contracts within the scope of the permit, unless the Commission, on its own initiative or on petition of an interested carrier, finds that the scope of the transportation to be provided by the motor contract carrier under any such additional contract is not confined to transportation provided by a motor contract carrier as defined after August 21, 1957.

49 USC 10933.

§ 10933. Authorizing abandonment of freight forwarder service

When a freight forwarder is controlled by, or under common control with, a common carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I, II, or III of chapter 105 of this title, the freight forwarder may abandon any part of the service it provides subject to the jurisdiction of the Commission under subchapter IV of chapter 105, only if the Commission finds the abandonment is consistent with the public interest and the transportation policy of section 10101 of this title. On making the finding, the Commission shall issue to the freight forwarder a certificate describing the abandonment authorized by the Commission.

Ante, pp. 1359, 1361, 1365.

Ante, p. 1369.

Ante, p. 1337.

CHAPTER 111—OPERATIONS OF CARRIERS

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SUBCHAPTER I—GENERAL REQUIREMENTS

§ 11101. Providing transportation and service

49 USC 11101.

(a) A common carrier providing transportation or service subject to the jurisdiction of the Interstate Commerce Commission under chapter 105 of this title shall provide the transportation or service on reasonable request. In addition, a motor common carrier shall provide safe and adequate service, equipment, and facilities.

Ante, p. 1358.

(b) The Commission may prescribe requirements for continuous and adequate transportation and service provided by motor common carriers and freight forwarders subject to the jurisdiction of the Commission under subchapters II and IV of chapter 105 of this title and for transportation of baggage and express by such motor common carriers of passengers.

Ante, pp. 1361, 1369.

(c) The Commission may not regulate the duration of, or the amount of compensation payable under, an arrangement between a motor carrier and another party to use, with a driver, a motor vehicle not owned by that carrier to transport property when—

(1) the motor vehicle—

(A) to be used is that of a farmer or a cooperative association or a federation of cooperative associations under section 10526(a) (4) or (5) of this title or a motor private carrier;

Ante, p. 1364.

(B) is used regularly in the transportation of (i) property referred to in section 10526(a) (6) of this title, or (ii) perishable products manufactured from perishable property referred to in that section; and

(C) is to be used by the carrier in a single movement or in one or more of a series of movements, loaded or empty, in the general direction of the general area where the motor vehicle is based; or

(2) the motor vehicle to be used has completed a movement exempt under section 10526(a) (6) of this title and is next to be used by that carrier in a loaded movement in any direction or in a movement referred to in clause (1) (C) of this subsection, or both.

§ 11102. Classification of carriers

49 USC 11102.

The Interstate Commerce Commission may classify and maintain requirements for groups of carriers included in the terms "motor common carrier", "water common carrier", "motor contract carrier", or "water contract carrier" and for brokers, when required because of the special nature of the transportation provided by them.

§ 11103. Use of terminal facilities

49 USC 11103.

(a) The Interstate Commerce Commission may require terminal facilities, including main-line tracks for a reasonable distance outside of a terminal, owned by a rail carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title, to be used by another rail carrier if the Commission finds that use to be practicable and in the public interest without substantially impairing the ability of the rail carrier owning the facilities or entitled to use the facilities to handle its own business. The carriers are responsible for establishing the conditions and compensation for use of the facilities. However, if the carriers cannot agree, the

Ante, p. 1359.

Commission may establish conditions and compensation for use of the facilities under the principle controlling compensation in condemnation proceedings. The compensation shall be paid or adequately secured before a carrier may begin to use the facilities of another carrier under this section.

(b) A rail carrier whose terminal facilities are required to be used by another carrier under this section is entitled to recover damages from the other carrier for injuries sustained as the result of compliance with the requirement or for compensation for the use, or both, as appropriate, in a civil action, if it is not satisfied with the conditions for use of the facilities or if the amount of the compensation is not paid promptly.

49 USC 11104.

§ 11104. Switch connections and tracks

(a) On application of the owner of a lateral branch line of railroad, or of a shipper tendering interstate traffic for transportation, a common carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title shall construct, maintain, and operate, on reasonable conditions, a switch connection to connect that branch line or private side track with its railroad and shall furnish cars to move that traffic to the best of its ability without discrimination in favor of or against the shipper when the connection—

Ante, p. 1359.

(1) is reasonably practicable;

(2) can be made safely; and

(3) will furnish sufficient business to justify its construction and maintenance.

Filing of complaints.

(b) If a common carrier fails to install and operate a switch connection after application is made under subsection (a) of this section, the owner of the lateral branch line of railroad or the shipper may file a complaint with the Commission under section 11701 of this title. The Commission shall investigate the complaint and decide the safety, practicability, justification, and compensation to be paid for the connection. The Commission may direct the common carrier to comply with subsection (a) of this section only after a full hearing.

Post, p. 1449

Hearing.

49 USC 11105.

§ 11105. Protective services

A rail or express carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title may arrange for a person to furnish to or for the carrier a protective service against heat or cold for property transported by it subject to that jurisdiction only when the Commission finds the arrangement to be reasonable and in the public interest.

49 USC 11106.

§ 11106. Identification of motor vehicles

(a) The Interstate Commerce Commission may—

(1) issue and require the display of an identification plate on a motor vehicle used in transportation subject to its jurisdiction under subchapter II of chapter 105 of this title; and

Ante, p. 1361.

(2) require the carrier to pay the reasonable cost of the plate.

(b) A carrier may use an identification plate only as authorized by the Commission.

49 USC 11107.

§ 11107. Leased motor vehicles

Except as provided in section 11101(c) of this title, the Interstate Commerce Commission may require a motor carrier providing transportation subject to the jurisdiction of the Commission under sub-

chapter II of chapter 105 of this title that uses motor vehicles not owned by it to transport property under an arrangement with another party to— *Ante*, p. 1361.

(1) make the arrangement in writing signed by the parties specifying its duration and the compensation to be paid by the motor carrier;

(2) carry a copy of the arrangement in each motor vehicle to which it applies during the period the arrangement is in effect;

(3) inspect the motor vehicles and obtain liability and cargo insurance on them; and

(4) have control of and be responsible for operating those motor vehicles in compliance with requirements prescribed by the Secretary of Transportation on safety of operations and equipment, and with other applicable law as if the motor vehicles were owned by the motor carrier.

§ 11108. Water carriers subject to unreasonable discrimination in foreign transportation 49 USC 11108.

(a) The Interstate Commerce Commission may relieve a water carrier providing transportation subject to the jurisdiction of the Commission under subchapter III of chapter 105 of this title, from the requirements of this subtitle when a rate, rule, or practice established by a person providing water transportation to or from a port in a foreign country in competition with that carrier unreasonably discriminates against that carrier. The Commission may relieve that carrier to the extent and for the period of time necessary to end or ease the discrimination if the relief is in the public interest and consistent with the transportation policy of section 10101 of this title. *Ante*, p. 1365. *Ante*, p. 1337.

(b) The Commission may begin a proceeding under this section on its own initiative or on application. Proceedings.

SUBCHAPTER II—CAR SERVICE

§ 11121. Criteria 49 USC 11121.

(a) A rail carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title shall furnish safe and adequate car service and establish, observe, and enforce reasonable rules and practices on car service. The Commission may— *Ante*, p. 1359.

(1) require a rail carrier to file its car service rules with the Commission; and

(2) require that carrier to incorporate those rules in its tariffs.

(b) The Commission may designate and appoint agents and agencies to make and carry out its directions related to car service and matters under sections 11123–11125, 11127, and 11128(a)(1) of this title.

§ 11122. Compensation and practice 49 USC 11122.

(a) The regulations of the Interstate Commerce Commission on car service shall encourage the purchase, acquisition, and efficient use of freight cars. The regulations may include— Regulations.

(1) the compensation to be paid for the use of a locomotive, freight car, or other vehicle;

(2) the other terms of any arrangement for the use by a rail carrier of a locomotive, freight car, or other vehicle not owned by the rail carrier using the locomotive, freight car, or other vehicle, whether or not owned by another carrier, shipper, or third person; and

(3) sanctions for nonobservance.

(b) (1) The rate of compensation to be paid for each type of freight car shall be determined by the expense of owning and maintaining that type of freight car, including a fair return on its cost giving consideration to current costs of capital, repairs, materials, parts, and labor. In determining the rate of compensation, the Commission shall consider the transportation use of each type of freight car, the national level of ownership of each type of freight car, and other factors that affect the adequacy of the national freight car supply.

(2) The Commission may increase a rate of compensation determined under paragraph (1) of this subsection by an incentive element only when the Commission finds that the supply of a type of freight car is inadequate and an incentive element will compensate freight car owners, contribute to sound car service practices (including efficient utilization and distribution of cars), and encourage the acquisition and maintenance of a car supply adequate to meet the needs of commerce and national defense. The Commission may exempt that incentive element from the compensation to be paid by a carrier or group of carriers when the Commission finds that exemption is in the national interest.

49 USC 11123.

§ 11123. Situations requiring immediate action

(a) When the Interstate Commerce Commission considers that a shortage of equipment, congestion of traffic, or other emergency requiring immediate action exists in a section of the United States, the Commission may—

(1) suspend any car service rule or practice;

(2) take action during the emergency to promote service in the interest of the public and of commerce regardless of the ownership (as between carriers) of a locomotive, car, or other vehicle on terms of compensation the carriers establish between themselves subject to subsection (b) (2) of this section;

(3) require joint or common use of terminals, including mainline tracks for a reasonable distance outside of those terminals, on terms of compensation the carriers establish between themselves, subject to subsection (b) (2) of this section, when that action will best meet the emergency and serve the public interest; and

(4) give directions for preference or priority in transportation, embargoes, or movement of traffic under permits.

(b) (1) Except as provided in paragraph (2) of this subsection, the Commission may act under this section on its own initiative or on application without regard to subchapter II of chapter 103 of this title and subchapter II of chapter 5 of title 5.

Ante, p. 1345.
5 USC 551.

(2) When the carriers do not agree on terms of compensation under subsection (a) (2) of this section or on terms for joint or common use of terminals under subsection (a) (3) of this section, the Commission may establish for them in a later proceeding terms of compensation the Commission finds to be reasonable.

49 USC 11124.

§ 11124. Rerouting traffic on failure of rail carrier to serve the public

(a) When the Interstate Commerce Commission considers that a rail carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title cannot transport the traffic offered to it in a manner that properly serves the public, the Commission may direct the handling, routing, and movement of the traffic of that carrier and its distribution over other rail-

Ante, p. 1359.

road lines to promote commerce and service to the public. Subject to subsection (b)(2) of this section, the carriers may establish the terms of compensation between themselves.

(b)(1) Except as provided in paragraph (2) of this subsection, the Commission may act under this section on its own initiative or on application without regard to subchapter II of chapter 103 of this title and subchapter II of chapter 5 of title 5. *Ante*, p. 1345. 5 USC 551 *et seq.*

(2) When the carriers do not agree on the terms of compensation under this section, the Commission may establish the terms for them in a later proceeding.

§ 11125. Directed rail transportation 49 USC 11125.

(a) When a rail carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title cannot transport the traffic offered to it because— *Ante*, p. 1359.

(1) its cash position makes its continuing operation impossible;

(2) transportation has been discontinued under court order; or

(3) it has discontinued transportation without obtaining a required certificate under section 10903 of this title;

the Commission may direct the handling, routing, and movement of the traffic available to that carrier and its distribution over the railroad lines of that carrier by another carrier to promote service in the interest of the public and of commerce. Subject to subsection (b) of this section, the Commission may act without regard to subchapter II of chapter 103 of this title and subchapter II of chapter 5 of title 5.

(b)(1) Action of the Commission under subsection (a) of this section may not remain in effect for more than 60 days. However, the Commission may extend that period for an additional designated period of not more than 180 days if cause exists.

(2) The Commission may not take action that would—

(A) cause a directed carrier to operate in violation of section 421 of title 45; or

(B) impair substantially the ability of a directed carrier to serve its own patrons adequately, or to meet its outstanding common carrier obligations. 45 USC 421.

(3) A directed carrier is not responsible, because of the direction of the Commission, for the debts of the other carrier. Debts.

(4) A directed carrier shall hire the employees of the other carrier, to the extent that they previously provided that transportation for the other carrier, and assume the existing employment obligations and practices of the other carrier for those employees including agreements governing rate of pay, rules and working conditions, and employee protective conditions for the period during which the action of the Commission is effective.

(5) A directed carrier may apply to the Commission for payment of an amount equal to the amount by which (A) the total expenses of that carrier incurred in or attributable to the handling, routing, and moving the traffic over the lines of the other carrier for the period during which the action of the Commission is effective, including renting or leasing necessary equipment and an allocation of common expenses, overhead, and a reasonable profit, exceed (B) the direct revenues from handling, routing, and moving that traffic over the lines of the other carrier during that period. The carrier must submit a current record of those total expenses to the Commission. The Commission shall certify promptly, to the Secretary of the Treasury, the amount to be paid. The Secretary shall pay that amount by the 90th

day after the end of the period during which the direction of the Commission is effective, and funds are authorized to be appropriated for that payment. The Commission may audit any such record.

Audit.

49 USC 11126.

§ 11126. Distribution of coal cars

(a) Subject to subsection (b) of this section, a rail carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title shall make a reasonable distribution of cars for transportation of coal among the coal mines served by it whether the mines are located on its line or are customarily dependent on it for car supply. If the supply of available cars does not equal the requirements of the mines, the carrier shall maintain and apply reasonable ratings of the mines and count each car furnished to or used by a mine for transportation of coal against that mine. However, coal cars supplied by shippers or receivers are deemed not to be a part of the carrier's fleet and are not counted in determining a question about distribution or car count under subsection (b) of this section or section 10102, 10501, 10701–10703, 10707, 10721(b), 10722(c)–(d), 10723(a)–(b)(1), 10724(a), 10741–10744, 10746, 10749, 10750, 10901, 10902, 10907, 11101, 11103–11105, 11121–11125, 11127, 11128(a)(1), 11501(c), 11505(a), 11702(a)(1), 11703, 11901(d)–(e)(2), 11902, 11903, 11905, 11907, 11915, or 11916 of this title.

Ante, p. 1359.

Ante, pp. 1338, 1359, 1371, 1372, 1380, 1383–1386, 1390, 1391, 1393, 1394, 1402, 1403, *Post*, pp. 1444, 1448, 1450, 1455, 1457, 1459, 1464.

(b)(1) In this subsection, "unit-train service" means the movement of a single shipment of coal of at least 4,500 tons, tendered to one carrier, on one bill of lading, at one origin, on one day, and destined to one consignee, at one plant, at one destination, over one route.

"Unit train Service."

(2) Unit-train service and non-unit-train service are deemed to be separate and distinct classes of service. A distinction shall be made between them and between the cars used in each class of service. A question about the reasonableness of, or discrimination in, the distribution of cars shall be determined within each class and not between them, notwithstanding a section referred to in subsection (a) of this section.

49 USC 11127.

§ 11127. Service of freight forwarders

(a)(1) When the Interstate Commerce Commission considers that a shortage of equipment, congestion of traffic, or other emergency requires immediate action at a place in the United States, the Commission may—

(A) suspend any service, equipment, or facilities requirement applicable to a freight forwarder under the jurisdiction of the Commission under subchapter IV of chapter 105 of this title;

(B) take action to promote transportation in the interest of the public and of commerce; and

(C) give directions for preference or priority in transportation, embargoes, or movement of traffic under permits.

(2) When the Commission considers that any such freight forwarder cannot properly serve the public by providing service for the traffic offered it, the Commission may require the handling, routing, and movement of that traffic in another manner to promote commerce and service to the public. When the equipment or facilities of another freight forwarder are required to be used, the freight forwarders may establish terms of compensation between themselves subject to subsection (b)(2) of this section.

(b)(1) Except as provided in paragraph (2) of this subsection, the Commission may act under this section on its own initiative or on

application without regard to subchapter II of chapter 103 of this title and subchapter II of chapter 5 of title 5. *Ante*, p. 1345.

(2) When the freight forwarders do not agree on the terms of compensation under this section, the Commission may establish the terms for them in a later proceeding. *Ante*, p. 1361.

§ 11128. War emergencies; embargoes imposed by carriers 49 USC 11128.

(a)(1) When the President, during time of war or threatened war, certifies to the Interstate Commerce Commission that it is essential to the defense and security of the United States to give preference or priority to the movement of certain traffic, the Commission shall direct that preference or priority be given to that traffic under sections 11123 (a)(4) and 11127(a)(1)(C) of this title.

(2) When the President, during time of war or threatened war, demands that preference and precedence be given to the transportation of troops and material of war over all other traffic, all carriers providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title shall adopt every means within their control to facilitate and expedite the military traffic. *Ante*, p. 1359.

(b) An embargo imposed by any such carrier does not apply to shipments consigned to agents of the United States Government for its use. The carrier shall deliver those shipments as promptly as possible.

SUBCHAPTER III—REPORTS AND RECORDS

§ 11141. Definitions 49 USC 11141.

In this subchapter—

(1) "carrier", "broker", and "lessor" include a receiver or trustee of a carrier (except a freight forwarder), broker, and lessor, respectively.

(2) "lessor" means a person owning a railroad, water line, or a pipeline that is leased to and operated by a carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title, and a person leasing a right to operate as a motor carrier or water carrier to another.

(3) "association" means an organization maintained—

(A) by or in the interest of a group of carriers (except water carriers) or brokers providing transportation or service subject to the jurisdiction of the Commission under chapter 105 of this title that performs a service, or engages in activities, related to transportation under this subtitle; or *Ante*, p. 1358.

(B) only by water carriers providing transportation subject to the jurisdiction of the Commission under subchapter III of chapter 105 of this title that engages in activities related to the fixing of rates, publication of classifications, or filing of tariffs by water carriers. *Ante*, p. 1365.

§ 11142. Uniform accounting systems 49 USC 11142.

(a) The Interstate Commerce Commission shall prescribe, for rail carriers providing transportation subject to this subtitle, a uniform cost and revenue accounting and reporting system (1) under generally accepted accounting principles uniformly applied to those carriers and (2) after consideration of appropriate economic principles. To the extent possible, the system shall be cost effective, without duplication, and compatible with the present and desired managerial and responsi-

bility accounting requirements of those carriers. The Commission may prescribe a uniform accounting system for classes of carriers providing, and brokers for, transportation subject to the jurisdiction of the Commission under subchapters II, III, and IV of chapter 105 of this title.

Ante, pp. 1361, 1365, 1369.

(b) (1) To obtain the most accurate cost and revenue information about light density railroad lines, main line operations, factors used to establish rates, and other regulatory areas of responsibility, the Commission shall identify and define, for each facet of rail transportation—

(A) operating and nonoperating revenue accounts;

(B) direct cost accounts for determining fixed and variable costs for materials, labor, and overhead components of operating expenses and the assignment of those costs to various functions, services, or activities, including maintenance-of-way, maintenance of equipment (locomotive and car), transportation (train, yard and station, and accessorial services), and general and administrative expenses; and

(C) indirect cost accounts for determining fixed, common, joint, and constant costs, including the cost of capital, and the method for the assignment of those costs to various functions, services, or activities.

(2) Reports required under the rail accounting system must include information considered appropriate for disclosure under generally accepted accounting principles or the requirements of the Commission or of the Securities and Exchange Commission. To the extent possible, the Interstate Commerce Commission should require that information be reported or disclosed only for essential regulatory purposes including rate change requests, abandonment of facilities requests, responsibility for peaks in demand, cost of service, and issuance of securities.

Review.

(3) The Commission shall review the rail accounting system periodically, but at least once every 5th year after 1977, and revise the system as necessary to conform it to generally accepted accounting principles compatible with the managerial and responsibility accounting requirements of those carriers and to keep it in compliance with this section.

49 USC 11143.

§ 11143. Depreciation charges

The Interstate Commerce Commission shall, for a class of carriers providing transportation subject to its jurisdiction under subchapter I or III of chapter 105 of this title, and may, for a class of carriers providing transportation subject to its jurisdiction under subchapter II of that chapter, prescribe, and change when necessary, those classes of property for which depreciation charges may be included under operating expenses and a rate of depreciation that may be charged to a class of property. The Commission may classify those carriers for purposes of this section. A carrier for whom depreciation charges and rates of depreciation are in effect under this section for any class of property may not—

Ante, p. 1359.

(1) charge to operating expenses a depreciation charge on a class of property other than that prescribed by the Commission;

(2) charge another rate of depreciation; or

(3) include other depreciation charges in operating expenses.

49 USC 11144.

§ 11144. Records: form; inspection; preservation

(a) The Interstate Commerce Commission may prescribe the form

of records required to be prepared or compiled under this subchapter—

(1) by carriers, brokers, and lessors, including records related to movement of traffic and receipts and expenditures of money; and

(2) by persons furnishing cars or protective service against heat or cold to or for a rail or express carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title to the extent related to those cars or that service. *Ante*, p. 1359.

(b) The Commission, or an employee designated by the Commission, may on demand and display of proper credentials—

(1) inspect and examine the lands, buildings, and equipment of a carrier, broker, or lessor; and

(2) inspect and copy any record of—

(A) a carrier, broker, lessor, or association;

(B) a person controlling, controlled by, or under common control with a carrier if the Commission considers inspection relevant to that person's relation to, or transaction with, that carrier; and

(C) a person furnishing cars or protective service against heat or cold to or for a rail or express carrier if the Commission prescribed the form of that record.

(c) The Commission, or an employee designated by the Commission, may, during normal business hours, inspect and copy any record related to motor vehicle transportation of a cooperative association or federation of cooperative associations required to notify the Commission under section 10526(a)(5) of this title. However, the Commission may not prescribe the form of records to be maintained by a cooperative association or federation of cooperative associations. *Ante*, p. 1364.

(d) The Commission may prescribe the time period during which operating, accounting, and financial records must be preserved by carriers, brokers, lessors, and persons furnishing cars or protective services.

§ 11145. Reports by carriers, lessors, and associations 49 USC 11145.

(a) The Interstate Commerce Commission may require—

(1) carriers, brokers, lessors, and associations, or classes of them as the Commission may prescribe, to file annual, periodic, and special reports with the Commission containing answers to questions asked by it; and

(2) a person furnishing cars or protective services against heat or cold to a rail or express carrier providing transportation subject to this subtitle, to file reports with the Commission containing answers to questions about those cars or services.

(b)(1) An annual report shall contain an account, in as much detail as the Commission may require, of the affairs of the carrier, broker, lessor, or association for the 12-month period ending on the 31st day of December of each year. However, when an annual report is made by a motor carrier, a broker, or a lessor or an association maintained by or interested in one of them, the person making the report may elect to make it for the 13-month period accounting year ending at the close of one of the last 7 days of each calendar year if the books of the person making the report are kept by that person on the basis of that accounting year. Annual report.

(2) An annual report shall be filed with the Commission by the end of the 3d month after the end of the year for which the report is made unless the Commission extends the filing date or changes the period covered by the report. The annual report and, if the Commission requires, any other report made under this section, shall be made under oath.

CHAPTER 113—FINANCE

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SUBCHAPTER I—CARRIER SECURITIES, EQUIPMENT TRUSTS, AND SECURITY INTERESTS

49 USC 11301.

§ 11301. Authority of certain carriers to issue securities and assume obligations and liabilities

(a) In this section—

"Carrier."

(1) "carrier" means a rail or sleeping car carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title

Ante, p. 1359.

(except a street, suburban, or interurban electric railway not operated as a part of a general railroad system of transportation), and a corporation organized to provide transportation by rail carrier subject to that subchapter.

(2) "security" means a share of capital stock, a bond, or other evidence of interest in, or indebtedness of, a carrier. "Security."

(b)(1) Subject to subchapter I of chapter 2A, chapter 2B, and subchapter I of chapter 2D of title 15, the Commission has exclusive jurisdiction to approve the issuance of securities by a carrier and the assumption of an obligation or liability related to the securities of another person by a carrier. A carrier may not issue securities or assume those obligations or liabilities without the approval of the Commission. No other approval is required. A security issued or obligation or liability assumed by a carrier in violation of this subsection or in violation of a condition prescribed by the Commission under subsection (d) of this section is void. However, a security or obligation issued or assumed under authority of this section is not void for failure to comply with a procedural requirement of this section or other matter preceding entry of the order of the Commission. Issuance of securities. 15 USC 77a, 78a, 80a-1.

(2) Paragraph (1) of this subsection does not apply to notes issued by a carrier if the notes mature not more than 2 years after their date of issue and total (with all then outstanding notes having a maturity of not more than 2 years) not more than 5 percent of the par value of the then outstanding securities of that carrier. If the securities do not have a par value, the par value of those securities is the fair market value on the date of issue. Paragraph (1) of this subsection applies to a subsequent funding of notes referred to in this paragraph.

(c)(1) A carrier issuing notes referred to in subsection (b)(2) of this section shall file a certificate of notification with the Commission by the end of the 10th day after they are issued. That notification must include substantially the same matter required by the Commission for an application for authority to issue other securities.

(2) A carrier that pledges, repledges, or otherwise disposes of a security referred to in an application for authority or a certificate of notification under this section as pledged or held unencumbered in the treasury of that carrier shall file a certificate of notification with the Commission by the end of the 10th day after it disposes of the security.

(d)(1) The Commission may begin a proceeding under this section on application of a carrier. Before taking final action, the Commission must investigate the purpose and use of the securities issue or assumption and the proceeds from it. The Commission may approve any part of the application and may require the carrier to comply with appropriate conditions. After an application is approved under this section, the Commission may change a condition previously imposed or use that may be made of the securities or proceeds for good cause shown subject to the requirements of this section. The Commission may approve an application under this section only when it finds that the securities issue or assumption— Proceedings.

(A) is for a lawful object within the corporate purpose of the carrier and reasonably appropriate for that purpose;

(B) is compatible with the public interest;

(C) is appropriate for or consistent with the proper performance by the carrier of service to the public as a common carrier; and

(D) will not impair the financial ability of the carrier to provide the service.

(2) An application or certificate must be made under oath and signed and filed for the carrier by a designated executive officer who knows the matters stated in the application or certificate. On receipt of an application of a carrier under this section, the Commission shall have a copy of the application served on the chief executive officer of each State in which that carrier operates. The appropriate authorities of those States are entitled to be admitted as parties to a proceeding under this section to represent the rights and interests of their people and States.

Reports to Interstate Commerce Commission.

(e) The Commission shall require a carrier that issues securities, including notes, under this section to submit reports to it. The reports must identify the disposition of those securities and the application of the proceeds from their disposition.

(f) This section does not imply a guaranty or obligation of those securities by the United States Government. This section does not apply to securities issued or obligations or liabilities assumed by the United States Government, a State, or an instrumentality or political subdivision of one of them.

49 USC 11302.

§ 11302. Issuance of securities and assumption of obligations and liabilities by motor carriers

(a) Except as provided in this section, section 11301 of this title applies to—

(1) motor carriers providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter II of chapter 105 of this title;

Ante, p. 1361.

(2) corporations organized to provide transportation as carriers subject to the jurisdiction of the Commission under that subchapter; and

(3) corporations authorized by the Commission to acquire control of at least one motor carrier subject to its jurisdiction under that subchapter.

(b) Section 11301 of this title does not apply when the total value of capital stock (or principal amount of other securities to be issued) and the value of capital stock and principal amount of other securities then outstanding is not more than $1,000,000, or to notes of a maturity of not more than 2 years that aggregate not more than $200,000. Notes that, with other outstanding notes of a maturity of not more than 2 years, aggregate that amount may be issued without regard to the percentage limitations applicable under section 11301 (b) (2) of this title. The value of capital stock having no par value is the fair market value on the date of issue of that stock, and the value of capital stock that has a par value is the fair market value on the date of issue or the par value, whichever is greater.

(c) This section does not apply to the United States Government, a State, or an instrumentality or political subdivision of one of them.

49 USC 11303.

§ 11303. Equipment trusts: recordation; evidence of indebtedness

(a) A mortgage (other than a mortgage under the Ship Mortgage Act, 1920), lease, equipment trust agreement, conditional sales agreement, or other instrument evidencing the mortgage, lease, conditional sale, or bailment of railroad cars, locomotives, or other rolling stock or vessels, intended for a use related to interstate commerce may be filed with the Interstate Commerce Commission. An assignment of a right or interest under one of those instruments and an amendment to that

instrument or assignment including a release, discharge, or satisfaction of any part of it may also be filed with the Commission. The instrument, assignment, or amendment must be in writing, executed by the parties to it, and acknowledged or verified under Commission regulations. When filed under this section, that document is notice to, and enforceable against, all persons. A document filed under this section does not have to be filed, deposited, registered, or recorded under another law of the United States, a State (or its political subdivisions), or territory or possession of the United States, related to filing, deposit, registration, or recordation of those documents. This section does not change the Ship Mortgage Act, 1920. 46 USC 984.

(b) The Commission shall maintain a system for recording each document filed under subsection (a) of this section and mark each of them with a consecutive number and the date and hour of their recordation. The Commission shall maintain and keep open for public inspection an index of documents filed under that subsection. That index shall include the name and address of the principal debtors, trustees, guarantors, and other parties to those documents and may include other facts that will assist in determining the rights of the parties to those transactions. Record system.

§ 11304. Security interests in certain motor vehicles 49 USC 11304.

(a) In this section— Definitions.

(1) "motor vehicle" means a truck of rated capacity (gross vehicle weight) of at least 10,000 pounds, a highway tractor of rated capacity (gross combination weight) of at least 10,000 pounds, a property-carrying trailer or semitrailer with at least one load-carrying axle of at least 10,000 pounds, or a motor bus with a seating capacity of at least 10 individuals.

(2) "lien creditor" means a creditor having a lien on a motor vehicle and includes an assignee for benefit of creditors from the date of assignment, a trustee in bankruptcy from the date of filing of the petition in bankruptcy, and a receiver in equity from the date of appointment of the receiver.

(3) "security interest" means an interest (including an interest established by a conditional sales contract, mortgage, equipment trust, or other lien or title retention contract, or lease) in a motor vehicle when the interest secures payment or performance of an obligation.

(4) "perfection", as related to a security interest, means taking action (including public filing, recording, notation on a certificate of title, and possession of collateral by the secured party), or the existence of facts, required under law to make a security interest enforceable against general creditors and subsequent lien creditors of a debtor, but does not include compliance with requirements related only to the establishment of a valid security interest between the debtor and the secured party.

(b) A security interest in a motor vehicle owned by, or in the possession and use of, a carrier having a certificate or permit issued under section 10922 or 10923 of this title and owing payment or performance of an obligation secured by that security interest is perfected in all jurisdictions against all general, and subsequent lien, creditors of, and all persons taking a motor vehicle by sale (or taking or retaining a security interest in a motor vehicle) from, that carrier when— *Ante*, pp. 1409, 1410.

(1) a certificate of title is issued for a motor vehicle under a law of a jurisdiction that requires or permits indication, on a

certificate or title, of a security interest in the motor vehicle if the security interest is indicated on the certificate;

(2) a certificate of title has not been issued and the law of the State where the principal place of business of that carrier is located requires or permits public filing or recording of, or in relation to, that security interest if there has been such a public filing or recording; and

(3) a certificate of title has not been issued and the security interest cannot be perfected under paragraph (2) of this subsection, if the security interest has been perfected under the law (including the conflict of laws rules) of the State where the principal place of business of that carrier is located.

(c) This section does not affect a security interest perfected before January 1, 1959.

SUBCHAPTER II—OWNERSHIP

§ 11321. Limitation on ownership of certain water carriers

(a)(1) Notwithstanding sections 11343 and 11344 of this title, a carrier, or a person controlling, controlled by, or under common control with a rail, express, sleeping car, or pipeline carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title may not own, operate, control, or have an interest in a water common carrier or vessel carrying property or passengers on a water route with which it does or may compete for traffic.

Ante, p. 1359.

Hearing.

(2) The Commission may decide, after a full hearing, questions of fact related to competition or the possibility of competition under this subsection on application of a carrier. A carrier may file an application to determine whether an existing service violates this subsection and may request permission to continue operation of a vessel or that action be taken under subsection (b) of this section. The Commission may begin a proceeding under this subsection on its own initiative or on application of a shipper to investigate the operation of a vessel used by a carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of that chapter if the carrier has not applied to the Commission and had the question of competition or the possibility of competition determined under this subsection.

(b) Notwithstanding subsection (a) of this section, the Commission may authorize a carrier providing transportation subject to the jurisdiction of the Commission under that subchapter to own, operate, control, or have an interest in a water common carrier or vessel that is not operated through the Panama Canal and with which the carrier does or may compete for traffic when the Commission finds that ownership, operation, control, or interest will still allow that water common carrier or vessel to be operated in the public interest advantageously to interstate commerce and that it will still allow competition, without reduction, on the water route in question. However, section 11343 of this title also applies to a transaction or interest under this subsection if the transaction or interest is within the scope of that section. The Commission may begin a proceeding under this subsection on application of a carrier. An authorization under this subsection is not necessary for a carrier that obtained an order of extension before

September 18, 1940, under section 5(21) of the Interstate Commerce Act (37 Stat. 567), as amended, if the order is still in effect. 49 USC 5.

(c) The Commission may take action under this section only after a full hearing. An order entered as a result of the action may be conditioned on giving security for the payment of an amount of money or the discharge of an obligation that is required to be paid or discharged under that order.

§ 11322. Restrictions on officers and directors 49 USC 11322.

(a) A person may hold the position of officer or director of more than one carrier as defined in section 11301(a)(1) of this title only when authorized by the Interstate Commerce Commission. The Commission may authorize a person to hold the position of officer or director of more than one of those carriers when public or private interests will not be adversely affected.

(b) An officer or director of a carrier referred to in subsection (a) of this section may not—

(1) receive, for the benefit of that officer or director, a thing of value in relation to the negotiation, hypothecation, or sale of a security issued or to be issued by that carrier;

(2) share in the proceeds from the negotiation, hypothecation, or sale of a security issued or to be issued by that carrier; or

(3) participate in making or paying dividends of an operating carrier from funds included in a capital account.

§ 11323. Limitation on ownership of other carriers by freight forwarders 49 USC 11323.

(a) A freight forwarder, or a person controlling, controlled by, or under common control with a freight forwarder, providing service subject to the jurisdiction of the Interstate Commerce Commission under subchapter IV of chapter 105 of this title, may not acquire control of a carrier providing transportation subject to the jurisdiction of the Commission under subchapter I, II, or III of that chapter. However, this subsection does not prohibit a carrier providing transportation under subchapter I, II, or III of chapter 105 from acquiring control of another such carrier under subchapter III of this chapter but subject to section 11321.

Ante, p. 1369.

Ante, pp. 1359, 1361, 1365.

(b) A director, officer, employee, or agent of a common carrier providing transportation subject to the jurisdiction of the Commission under subchapter I, II, or III of chapter 105 of this title or a person controlling, controlled by, or under common control with one of those carriers, may not, for that person's pecuniary benefit, own, lease, control, or hold stock in a freight forwarder providing service subject to the jurisdiction of the Commission under subchapter IV of that chapter. However, this subsection does not prohibit the holding of a director's qualifying shares of stock from which no personal pecuniary benefit is derived by the holder.

(c) This subtitle does not prohibit a common carrier providing transportation subject to the jurisdiction of the Commission under subchapter I, II, or III of chapter 105 of this title or a person controlling, controlled by, or under common control with one of those carriers from controlling a freight forwarder. When that control exists, a rate, classification, rule, or practice of one of those carriers may not be found to be unlawful because of the relationship.

SUBCHAPTER III—COMBINATIONS

49 USC 11341.

§ 11341. Scope of authority

(a) The authority of the Interstate Commerce Commission under this subchapter is exclusive. A carrier or corporation participating in or resulting from a transaction approved by the Commission under this subchapter may carry out the transaction, own and operate property, and exercise control or franchises acquired through the transaction without the approval of a State authority. A carrier, corporation, or person participating in that transaction is exempt from the antitrust laws and from all other law, including State and municipal law, as necessary to let that person carry out the transaction, hold, maintain, and operate property, and exercise control or franchises acquired through the transaction. However, if a purchase and sale, a lease, or a corporate consolidation or merger is involved in the transaction, the carrier or corporation may carry out the transaction only with the assent of a majority, or the number required under applicable State law, of the votes of the holders of the capital stock of that corporation entitled to vote. The vote must occur at a regular meeting, or special meeting called for that purpose, of those stockholders and the notice of the meeting must indicate its purpose.

(b) A power granted under this subchapter to a carrier or corporation is in addition to and changes its powers under its corporate charter and under State law. Action under this subchapter does not establish or provide for establishing a corporation under the laws of the United States.

49 USC 11342.

§ 11342. Limitation on pooling and division of transportation or earnings

(a) A common carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I, II, or III of chapter 105 of this title may not agree or combine with another of those carriers to pool or divide traffic or services or any part of their earnings without the approval of the Commission under this section or sections 11124 and 11125 of this title. The Commission may approve and authorize the agreement or combination if the carriers involved assent to the pooling or division and the Commission finds that a pooling or division of traffic, services, or earnings—

Ante, pp. 1359, 1361, 1365.

(1) will be in the interest of better service to the public or of economy of operation; and

(2) will not unreasonably restrain competition.

(b) The Commission may impose conditions governing the pooling or division and may approve and authorize payment of a reasonable consideration between the carriers.

(c) This section affects an agreement or combination filed with the Commission before March 19, 1941, to which a water common carrier providing transportation subject to the jurisdiction of the Commission under subchapter III of chapter 105 of this title is a party only when the Commission determines that the agreement or combination does not meet the requirements for approval and authorization under subsection (a) of this section.

Proceedings.

(d) The Commission may begin a proceeding under this section on its own initiative or on application.

49 USC 11343.

§ 11343. Consolidation, merger, and acquisition of control

(a) The following transactions involving carriers providing transportation subject to the jurisdiction of the Interstate Commerce Com-

mission under subchapter I (except a pipeline carrier), II, or III of chapter 105 of this title may be carried out only with the approval and authorization of the Commission:

Ante, pp. 1359, 1361, 1365.

(1) consolidation or merger of the properties or franchises of at least 2 carriers into one corporation for the ownership, management, and operation of the previously separately owned properties.

(2) a purchase, lease, or contract to operate property of another carrier by any number of carriers.

(3) acquisition of control of a carrier by any number of carriers.

(4) acquisition of control of at least 2 carriers by a person that is not a carrier.

(5) acquisition of control of a carrier by a person that is not a carrier but that controls any number of carriers.

(6) acquisition by a rail carrier of trackage rights over, or joint ownership in or joint use of, a railroad line (and terminals incidental to it) owned or operated by another rail carrier.

(b) A person may carry out a transaction referred to in subsection (a) of this section or participate in achieving the control or management, including the power to exercise control or management, in a common interest of more than one of those carriers, regardless of how that result is reached, only with the approval and authorization of the Commission under this subchapter. In addition to other transactions, each of the following transactions are considered achievements of control or management:

(1) A transaction by a carrier has the effect of putting that carrier and persons affiliated with it, taken together, in control of another carrier.

(2) A transaction by a person affiliated with a carrier has the effect of putting that carrier and persons affiliated with it, taken together, in control of another carrier.

(3) A transaction by at least 2 persons acting together (one of whom is a carrier or is affiliated with a carrier) has the effect of putting those persons and carriers and persons affiliated with any of them, or with any of those affiliated carriers, taken together, in control of another carrier.

(c) A person is affiliated with a carrier under this subchapter if, because of the relationship between that person and a carrier, it is reasonable to believe that the affairs of another carrier, control of which may be acquired by that person, will be managed in the interest of the other carrier.

(d)(1) Approval and authorization by the Commission are not required if the only parties to a transaction referred to in subsection (a) of this section are motor carriers providing transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title and the aggregate gross operating revenues of those carriers were not more than $300,000 during a period of 12 consecutive months ending not more than 6 months before the date of the agreement of the parties covering the transaction. However, the approval and authorization of the Commission is required when a motor carrier that is controlled by or affiliated with a carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of that chapter is a party to the transaction.

(2) The approval and authorization of the Commission are not required if the only parties to a transaction referred to in subsection (a) of this section are street, suburban, or interurban electric railways

that are not controlled by or under common control with a carrier that is operated as part of a general railroad system of transportation.

49 USC 11344.

§ 11344. Consolidation, merger, and acquisition of control: general procedure and conditions of approval

(a) The Interstate Commerce Commission may begin a proceeding to approve and authorize a transaction referred to in section 11343 of this title on application of the person seeking that authority. When an application is filed with the Commission, the Commission shall notify the chief executive officer of each State in which property of the carriers involved in the proposed transaction is located and shall notify those carriers. If a motor carrier providing transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title is involved in the transaction, the Commission must notify the persons specified in section 10328(b) of this title. The Commission shall hold a public hearing when a rail carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of that chapter is involved in the transaction unless the Commission determines that a public hearing is not necessary in the public interest.

Notification.

Ante, p. 1361.

Hearing.

Ante, p. 1359.

(b) In a proceeding under this section, the Commission shall consider at least the following:

(1) the effect of the proposed transaction on the adequacy of transportation to the public.

(2) the effect on the public interest of including, or failing to include, other rail carriers in the area involved in the proposed transaction.

(3) the total fixed charges that result from the proposed transaction.

(4) the interest of carrier employees affected by the proposed transaction.

(c) The Commission shall approve and authorize a transaction under this section when it finds the transaction is consistent with the public interest. The Commission may impose conditions governing the transaction. When the transaction contemplates a guaranty or assumption of payment of dividends or of fixed charges or will result in an increase of total fixed charges, the Commission may approve and authorize the transaction only if it finds that the guaranty, assumption, or increase is consistent with the public interest. When a rail carrier, or a person controlled by or affiliated with a rail carrier, is an applicant and the transaction involves a motor carrier, the Commission may approve and authorize the transaction only if it finds that the transaction is consistent with the public interest, will enable the rail carrier to use motor carrier transportation to public advantage in its operations, and will not unreasonably restrain competition. When a rail carrier is involved in the transaction, the Commission may require inclusion of other rail carriers located in the area involved in the transaction if they apply for inclusion and the Commission finds their inclusion to be consistent with the public interest.

49 USC 11345.

§ 11345. Consolidation, merger, and acquisition of control: rail carrier procedure

(a) If a rail carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title is involved in a proposed transaction under section 11343 of this title, this section and section 11344 of this title also apply to the transaction. The Commission shall publish notice of

Notice, publication in Federal Register.

the application in the Federal Register by the end of the 30th day after the application is filed with the Commission and after a certified copy of it is furnished to the Secretary of Transportation. However, if the application is incomplete, the Commission shall reject it by the end of that period. The order of rejection is a final action of the Commission under section 10327 of this title.

(b) Written comments about an application may be filed with the Commission within 45 days after notice of the application is published under subsection (a) of this section. Copies of those comments shall be served on the Secretary of Transportation and the Attorney General, each of whom may decide to intervene as a party to the proceeding. That decision must be made by the 15th day after the date of receipt of the written comments, and if the decision is to intervene, preliminary comments about the application must be sent to the Commission by the end of the 15th day after the date of receipt of the written comments.

Ante, p. 1348.
Filing comments.

(c) The Commission shall require that applications inconsistent with an application, notice of which was published under subsection (a) of this section, and applications for inclusion in the transaction, be filed with it and given to the Secretary of Transportation by the 90th day after publication of notice under that subsection.

(d) The Commission must conclude evidentiary proceedings by the 240th day after the date of publication of notice under subsection (a) of this section. However, if the application involves the merger or control of at least 2 class I railroads, as defined by the Commission, it must conclude evidentiary proceedings by the end of the 24th month after the date of publication of notice under subsection (a) of this section. The Commission must issue a final decision by the 180th day after the date it concludes the evidentiary proceedings. If the Commission does not issue a decision that is a final action under section 10327 of this title, it shall send written notice to Congress that a decision was not issued and the reason why it was not issued.

Evidentiary proceedings.

(e) The Commission may waive the requirement that an initial decision be made under section 10327 of this title and make a final decision itself when it determines that action is required for the timely execution of its functions under this subchapter or that an application governed by this section is of major transportation importance. The decision of the Commission under this subsection is a final action under section 10327 of this title.

Waiver.

(f) The Secretary of Transportation may propose changes in transactions governed by this section when a rail carrier is involved. The Secretary may appear before the Commission to support those changes.

§ 11346. Consolidation, merger, and acquisition of control: expedited rail carrier procedure

49 USC 11346.

(a) A rail carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title or the Secretary of Transportation may apply, before January 1, 1982, for authority for and approval of a merger, consolidation, unification or coordination project (as described in section 1654(c) of this title), joint use of tracks or other facilities, or acquisition or sale of assets involving one of those rail carriers, under this section instead of sections 11344 and 11345 of this title. The Secretary may apply under this section only when the parties to the application that are rail carriers providing transportation subject to the jurisdiction of the Commission under subchapter I of that chapter consent to an application by the Secretary. A rail carrier may apply under

Ante, p. 1359.

this section only if it sent the proposed transaction to the Secretary for a report under section 11350 of this title at least 6 months before applying under this section.

Notice.

(b) When the Commission notifies persons required to receive notice that an application has been filed under this section, the Commission must include in the notice a copy of the application, a summary of the proposed transaction, and the applicant's reasons and public interest justification for the transaction. When the Commission notifies the Secretary of Transportation that an application has been filed under this section, the Commission shall also request the report of the Secretary prepared under section 11350 of this title. By the 10th day after receiving an application under this section, the Commission shall send notice of the proposed transaction to—

(1) the chief executive officer of each State that may be affected by the execution or implementation of the proposed transaction;

(2) the Attorney General;

(3) the Secretary of Labor; and

(4) the Secretary of Transportation (unless the Secretary is the applicant under subsection (a) of this section).

Panel; recommended decisions.

(c) The Commission shall designate a panel of the Commission to make a recommended decision on each application under this section. The panel must begin a proceeding by the 90th day after the date the Commission receives the application, complete the proceeding by the 180th day after the application is referred to it, and give its recommended decision and certify the record to the entire Commission by the 90th day after the proceeding is completed. The panel may use employees appointed under section 3105 of title 5 and the Rail Services Planning Office in conducting the proceeding, evaluating the application and comments received about it, and determining whether it is in the public interest to approve and authorize the transaction under the last sentence of subsection (d) of this section. To carry out this subsection, the panel may make rules and rulings to avoid unnecessary costs and delay. In making its recommended decision, the panel shall—

(1) request the views of the Secretary of Transportation about the effect of the transaction on the national transportation policy, as stated by the Secretary, and consider the report submitted under section 11350 of this title;

(2) request the views of the Attorney General about the effect of the transaction on competition; and

(3) request the views of the Secretary of Labor about the effect of the transaction on rail carrier employees, particularly whether the proposal contains adequate employee protection provisions.

Written views to the panel. Availability to public.

The Secretaries and the Attorney General shall send their written views to the panel. Those statements are available to the public under section 552(a) of title 5.

(d) When the recommended decision and record of a proceeding under this section are certified to the entire Commission, it must hear oral argument on the matter certified to it and make a final decision by the 120th day after receiving the recommended decision and record. The Commission may extend a time period under subsection (c) of this section or under this subsection but must make its final decision by the end of the 2d year after receipt of the application by the Commission. The Commission shall consider the report of the Secretary of Transportation under section 11350 of this title in making

its final decision. The final decision must be accompanied by a written opinion stating the reasons for the Commission action. The Commission may—

(1) approve the transaction if the Commission determines the transaction is in the public interest;

(2) approve the transaction with conditions and modifications that it determines are in the public interest; or

(3) disapprove the transaction if it determines the transaction is not in the public interest.

§ 11347. Employee protective arrangements in transactions involving rail carriers 49 USC 11347.

When a rail carrier is involved in a transaction for which approval is sought under sections 11344 and 11345 or section 11346 of this title, the Interstate Commerce Commission shall require the carrier to provide a fair arrangement at least as protective of the interests of employees who are affected by the transaction as the terms imposed under this section before February 5, 1976, and the terms established under section 565 of title 45. Notwithstanding this subtitle, the arrangement may be made by the rail carrier and the authorized representative of its employees. The arrangement and the order approving the transaction must require that the employees of the affected rail carrier will not be in a worse position related to their employment as a result of the transaction during the 4 years following the effective date of the final action of the Commission (or if an employee was employed for a lesser period of time by the carrier before the action became effective, for that lesser period).

§ 11348. Interstate Commerce Commission authority over noncarrier that acquires control of carrier 49 USC 11348.

(a) When the Interstate Commerce Commission approves and authorizes a transaction under sections 11344 and 11345 of this title in which a person not a carrier providing transportation subject to the jurisdiction of the Commission under chapter 105 of this title acquires control of at least one carrier subject to the jurisdiction of the Commission, the person is subject, as a carrier, to the following provisions of this title that apply to the carrier being acquired by that person, to the extent specified by the Commission: section 10764, subchapter III of chapter 111, and sections 11301, 11302, 11709, 11711, 11901(f), (h)(1), 11909(a)(1), (b), and 11911(a). *Ante*, p. 1397.

(b) When a person subject to sections 11301, 11302, 11322, 11709, and 11911 of this title because of acquiring control of a carrier, applies to the Commission for authority to issue securities or assume obligations or liabilities under those sections, the Commission may authorize the issue or assumption only when it finds the issue or assumption—

(1) is consistent with the proper performance of public transportation by the carrier that is controlled by that person;

(2) will not impair the ability of the carrier to provide public transportation; and

(3) is consistent with the public interest in other respects.

§ 11349. Temporary operating approval for transactions involving motor and water carriers 49 USC 11349.

(a) Pending determination of an application filed with the Interstate Commerce Commission under this subchapter for approval of a consolidation or merger of the properties of at least 2 motor carriers

or at least 2 water carriers, or of a purchase, lease, or contract to operate the properties of at least one motor carrier or at least one water carrier, the Commission may approve, for a period of not more than 180 days, the operation of the properties sought to be acquired by the person proposing in the application to acquire those properties. The Commission may approve operation of motor carrier properties when it appears that failure to grant the approval may result in destruction of or injury to those motor carrier properties the person is seeking to acquire, or substantially interfere with their future usefulness in providing adequate and continuous service to the public. The Commission may approve the operation of water carrier properties only for good cause shown.

(b) The Commission may take action under subsection (a) of this section without regard to subchapter II of chapter 103 of this title and subchapter II of chapter 5 of title 5. Transportation provided by a motor carrier under a grant of approval under this section is subject to this subtitle.

Ante, p. 1345.
5 USC 551.

49 USC 11350.

§ 11350. Responsibility of the Secretary of Transportation in certain transactions

Publication in Federal Register.
Ante, p. 1359.

(a) When a rail carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title sends a proposed transaction to the Secretary of Transportation under section 11346(a) of this title or the Secretary develops a proposed transaction for submission to the Commission under that section, the Secretary shall publish a summary and a detailed account of the transaction in the Federal Register and give notice of the transaction to the Attorney General and to the chief executive officer of each State in which property of a rail carrier involved in the transaction is located. The Secretary shall initiate an informal proceeding on the proposed transaction under section 553 of title 5.

Study.

(b) By the 10th day after an application is submitted to the Commission under section 11346 of this title, the Secretary shall complete and send to the Commission a study of the proposed transaction about—

(1) the needs of rail transportation in the geographical area affected by the transaction;

(2) the effect of the transaction on competition in rail transportation and other modes of transportation in the geographical area affected by the transaction;

(3) the environmental impact of the transaction and of alternative choices of action;

(4) the effect of the transaction on employment;

(5) the cost of rehabilitation and modernization of track, equipment, and other facilities, with a comparison of the potential savings or losses from other possible choices of action;

(6) the rationalization of the rail system;

(7) the impact of the transaction on shippers, consumers, and rail carrier employees;

(8) the effect of the transaction on communities in the geographical area affected by the transaction and on geographical areas contiguous to the affected areas; and

(9) whether the proposed transaction will improve rail service.

SUBCHAPTER IV—FINANCIAL STRUCTURE

§ 11361. Scope of authority: changes in financial structure

49 USC 11361.

(a) The authority of the Interstate Commerce Commission to act under this subchapter is exclusive. The Commission may approve and authorize a carrier, as defined in section 11301(a)(1) of this title, to change (1) a part of a class of its securities, as defined in section 11301(a)(2) of this title, or (2) a part of an instrument under which a class of its securities is issued or a class of its obligations is secured. When a change is approved and authorized by the Commission under this subchapter, the carrier may carry out the change notwithstanding an express provision in the affected instrument or a State law and without getting other approval from the Commission or from a State authority. A person participating in carrying out a change that is approved and authorized under this subchapter is exempt from all other law, including State and municipal law, as necessary to let that person carry out the change.

(b) The Commission may not approve an application filed under this section by a carrier that is in equity receivership or reorganization under section 205 of title 11.

(c) A power granted to a carrier under this subchapter changes its powers under its corporate charter and under State law.

(d) This subchapter does not affect the negotiability of a security of a carrier or of the obligation of a carrier that assumed liability related to a security. This subchapter does not apply to an equipment-trust certificate under which a carrier is obligated, to an evidence of indebtedness of a carrier the payment of which is secured solely by equipment, or to another instrument under which that equipment-trust certificate or evidence of indebtedness was issued or by which either of them is secured.

§ 11362. Criteria for approval and authority

49 USC 11362.

(a) A carrier may apply to the Interstate Commerce Commission for approval and authority to make a change under this subchapter. To approve a proposed change, the Commission must find that the proposed change—

(1) is within the scope of section 11361 of this title;

(2) will be in the public interest;

(3) will be in the best interests of the carrier, of each class of its stockholders, and of the holders of each class of the carrier's obligations that are affected by the change; and

(4) will not be against the interests of a creditor of the carrier who is not affected by the change.

If the change involves an issuance of securities, the Commission must also make the findings required under section 11301(d)(1) of this title.

(b)(1) The Commission shall begin a proceeding under this section on receipt of an application but may require an applicant to get assurances of assent to the change from the holders of the outstanding shares of the securities that will be affected by the change before continuing with the proceeding. The Commission may determine the percentage of the principal amount or number of those shares needed to establish assurance of assent to the change. A class of securities is considered to be affected by a proposed change only if the change is proposed to a part of that class or to a part of an instrument under which that class was issued or by which it is secured. However, if a

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proposed change is to an instrument under which at least 2 classes of securities were issued and are outstanding or secured by that instrument, only those classes to which the change is related are considered to be affected. The Commission shall divide the securities to be affected by a proposed change under this subchapter into reasonable classes for purposes of this subchapter.

(2) On receipt of an application of a carrier under this section the Commission shall notify, and file a copy of the application with, the chief executive officer of each State in which that carrier operates. The appropriate authorities of those States are entitled to be admitted as parties to a proceeding under this section to represent the rights and interests of their people and States.

Notice.

(c) The carrier must give notice of the proceeding to the holders of the class of securities affected. The Commission may direct the carrier to give notice to other persons the Commission determines to have an interest in the proceeding. The carrier may give notice under this subsection only after it gets assurances of assent when they are required under this section.

(d) The Commission may impose conditions governing the proposed change. The Commission may determine the effective date for a change it approves and authorizes under this subchapter and may allow it to become effective on publication of a declaration to that effect by the carrier. After an application is approved, the Commission may change a condition imposed and impose supplemental requirements for good cause shown subject to the requirements of this subchapter.

49 USC 11363.

§ 11363. Assent of holders of securities and certain other instruments

(a)(1) After making the findings required under section 11362(a) of this title, the Commission may approve and authorize the change if it is assented to by the holders of at least 75 percent of the aggregate principal amount or number of outstanding shares of each class of securities affected by the change. The Commission may increase the percentage required for assent under this subsection for a class of shares when an increase is in the public interest and—

(A) 75 percent of the shares in that class are held by less than 25 security holders; or

(B) that class is entitled to vote for the election of directors of the carrier and the Commission determines that the assent of at least 25 percent of the security holders of that class are controlled by the carrier or a person controlling the carrier.

(2) The carrier may withdraw its application after the Commission makes the findings required under section 11362(a) of this title. If the application is not withdrawn, the Commission must require the carrier to submit the proposed change, with conditions imposed by the Commission, to the holders of each class of its securities affected by the change for their assent or rejection.

(b)(1) In determining the percentage of outstanding securities when making a finding under section 11362(a) of this title, a security that secures an evidence of indebtedness of the carrier or of a company controlling or controlled by the carrier is considered to be outstanding unless the Commission determines that the proposed change does not materially affect the interest of the holder of that evidence of indebtedness. When that security is considered to be outstanding, assent to a proposed change may be given, notwithstanding another instrument, only—

(A) if the security is pledged as security under an instrument under which an evidence of indebtedness was issued and is outstanding, by the holder of a majority of the principal amount of the evidence of indebtedness; or

(B) if the security secures an evidence of indebtedness not issued under an instrument under which an evidence of indebtedness was issued, by the holder of the evidence of indebtedness.

(2) In addition to a submission required under subsection (a) of this section, the Commission shall require the carrier to submit a proposed change to a security referred to in this subsection, with requirements imposed by the Commission, to the holder of the evidence of indebtedness referred to in paragraph (1) (A) and (B) of this subsection as appropriate, for assent or rejection. A carrier is not required to submit the change to the trustee of the instrument referred to in that paragraph.

(c) If the Commission determines that the assent of the holder of a security not entitled to vote for the election of directors of the carrier or an evidence of indebtedness is in the control of the carrier or of a person controlling the carrier, that security or evidence of indebtedness is not considered to be outstanding.

§ 11364. Procedure

49 USC 11364.

(a) The Commission may prescribe the manner in which assents, assurances of assent, or rejections of the security holders may be solicited whether the solicitation is made before or after the Commission approves and authorizes the proposed change.

(b) The Commission may approve a bank or trust company, incorporated under the law of the United States or a State, that is a member of the Federal Reserve System and has a capital and surplus of at least $2,000,000, to receive assents and revocations of assents from security holders. The Commission may require the security holders to send those assents and revocations to that bank or trust company. That bank or trust company shall certify the result of the submission to the Commission. The Commission may rely on that certification as conclusive evidence in determining the result of that submission.

§ 11365. Effect of change on other persons

49 USC 11365.

(a) When a change becomes effective under this subchapter, the change is binding on, and changes the rights of—

(1) each holder of a security of the carrier of each class affected by the change; and

(2) a trustee or other party to an instrument under which a class of securities has been issued or by which it is secured.

(b) An authorization and approval of a change under this subchapter is authority for, and approval of, a corresponding change of the obligation of another carrier that assumed liability related to that class of securities if that carrier consents to the change in writing. When consent is given, the corresponding change becomes effective when the change of the class of securities or instrument becomes binding. A person who is liable or obligated on a class of securities issued by a carrier is a carrier with respect to that class for the purposes of this subchapter.

§ 11366. Reports

49 USC 11366.

A carrier receiving approval and authorization to make a change under this subchapter shall report the action taken by it in making that change to the Interstate Commerce Commission. The Commission may require periodic or special reports.

49 USC 11367.

§ 11367. Application of other laws

(a) Section 78n(a) of title 15 does not apply to a solicitation related to a proposed change under this subchapter.

(b) If the Interstate Commerce Commission finds an issuance of a security, that is an interest in a railroad equipment trust as defined in section 77c(a)(6) of title 15, under this subchapter complies with section 11301 of this title, it is considered to be an issuance subject to section 11301 within the meaning of section 77c(a)(6) of title 15. Section 77e of that title does not apply to the issuance, sale, or exchange of certificates of deposit representing securities of, or claims against, a carrier that are issued by committees in proceedings under this subchapter. Those certificates and transactions under this subchapter are exempt from subchapter I of chapter 2A of title 15.

15 USC 77a.

CHAPTER 115—FEDERAL-STATE RELATIONS

Sec.
11501. Interstate Commerce Commission authority over intrastate transportation.
11502. Conferences and joint hearings with State authorities.
11503. Tax discrimination against rail transportation property.
11504. Withholding State and local income tax by certain carriers.
11505. State action to enjoin rail carriers from certain actions.
11506. Registration of motor carriers by a State.
11507. Prison-made property governed by State law.

49 USC 11501.

§ 11501. Interstate Commerce Commission authority over intrastate transportation

(a)(1) The Interstate Commerce Commission shall prescribe the rate, classification, rule, or practice for transportation or service provided by a carrier subject to the jurisdiction of the Commission under subchapter I or IV of chapter 105 of this title when the Commission finds that a rate, classification, rule, or practice of a State causes—

Ante, pp. 1359, 1369.

(A) between persons or localities in intrastate commerce and in interstate and foreign commerce, unreasonable discrimination against those persons or localities in interstate or foreign commerce; or

(B) unreasonable discrimination against or imposes an unreasonable burden on interstate or foreign commerce.

(2) The Commission may make a finding under this subsection involving a carrier providing transportation subject to its jurisdiction under subchapter I of chapter 105 of this title without separating interstate and intrastate property, revenues, and expenses, and without considering the total operations, or their results, of a carrier or group of carriers operating entirely in one State.

(b)(1) The Commission has exclusive authority to prescribe an intrastate rate for transportation provided by a rail carrier subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title when—

(A) a rail carrier files with an appropriate State authority a change in an intrastate rate, or a change in a classifiction, rule, or practice that has the effect of changing an intrastate rate, that adjusts the rate to the rate charged on similar traffic moving in interstate or foreign commerce; and

(B) the State authority does not act finally on the change by the 120th day after it was filed.

(2) When a rail carrier files an application with the Commission under this subsection, the Commission shall prescribe the intrastate rate under the standards of subsection (a) of this section. Notice of the application shall be served on the State authority.

(c) The Commission may take action under this section only after a full hearing. Action of the Commission under this section supersedes State law or action taken under State law in conflict with the action of the Commission. Hearing.

§ 11502. Conferences and joint hearings with State authorities 49 USC 11502.

(a) (1) In carrying out this subtitle as it applies to a class of persons providing transportation or service subject to the jurisdiction of the Interstate Commerce Commission under subchapter I, III, or IV of chapter 105 of this title, the Commission may—

Ante, pp. 1359, 1365, 1369.

(A) confer and hold joint hearings with the State authorities having regulatory jurisdiction of that class when the conference or hearing is related to an investigation of the relationship between rate structures and practices of carriers providing transportation or service subject to the jurisdiction of the State authorities and of the Commission, and the Commission may take action as a result of the investigation that may affect the rate-making authority of a State; and

(B) cooperate with and use the services, records, and facilities of the State authorities.

(2) In carrying out this subtitle as it applies to motor carriers and brokers providing transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title, the Commission may— *Ante*, p. 1361.

(A) confer and hold joint hearings with State authorities;

(B) cooperate with and use the services, records, and facilities of State authorities; and

(C) make cooperative agreements with a State to enforce the economic laws and regulations of a State and the United States concerning highway transportation.

(b) When an investigation under this subtitle involving a common carrier providing transportation or service subject to the jurisdiction of the Commission under subchapter I or IV of chapter 105 of this title, is about a rate, classification, rule, or practice of a State, the Commission shall notify the interested State of the proceeding before disposing of the issue.

(c) When a representative of a State authority sits with the Commission in an investigation about a carrier subject to the jurisdiction of the Commission under subchapter I or III of chapter 105 of this title, the representative may be given an allowance for travel and subsistence expenses. The Commission may determine the amount of the allowance. Travel and subsistence allowances.

§ 11503. Tax discrimination against rail transportation property 49 USC 11503.

(a) In this section— Definitions.

(1) "assessment" means valuation for a property tax levied by a taxing district.

(2) "assessment jurisdiction" means a geographical area in a State used in determining the assessed value of property for ad valorem taxation.

(3) "rail transportation property" means property, as defined by the Interstate Commerce Commission, owned or used by a rail carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title.

(4) "commercial and industrial property" means property, other than transportation property and land used primarily for

agricultural purposes or timber growing, devoted to a commercial or industrial use and subject to a property tax levy.

(b) The following acts unreasonably burden and discriminate against interstate commerce, and a State, subdivision of a State, or authority acting for a State or subdivision of a State may not do any of them:

(1) assess rail transportation property at a value that has a higher ratio to the true market value of the rail transportation property than the ratio that the assessed value of other commercial and industrial property in the same assessment jurisdiction has to the true market value of the other commercial and industrial property.

(2) levy or collect a tax on an assessment that may not be made under clause (1) of this subsection.

(3) levy or collect an ad valorem property tax on rail transportation property at a tax rate that exceeds the tax rate applicable to commercial and industrial property in the same assessment jurisdiction.

(4) impose another tax that discriminates against a rail carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title.

(c) Notwithstanding section 1341 of title 28 and without regard to the amount in controversy or citizenship of the parties, a district court of the United States has jurisdiction, concurrent with other jurisdiction of courts of the United States and the States, to prevent a violation of subsection (b) of this section. Relief may be granted under this subsection only if the ratio of assessed value to true market value of rail transportation property exceeds by at least 5 percent, the ratio of assessed value to true market value of other commercial and industrial property in the same assessment jurisdiction. The burden of proof in determining assessed value and true market value is governed by State law. If the ratio of the assessed value of other commercial and industrial property in the assessment jurisdiction to the true market value of all other commercial and industrial property cannot be determined to the satisfaction of the district court through the random-sampling method known as a sales assessment ratio study (to be carried out under statistical principles applicable to such a study), the court shall find, as a violation of this section—

(1) an assessment of the rail transportation property at a value that has a higher ratio to the true market value of the rail transportation property than the assessed value of all other property subject to a property tax levy in the assessment jurisdiction has to the true market value of all other commercial and industrial property; and

(2) the collection of an ad valorem property tax on the rail transportation property at a tax rate that exceeds the tax ratio rate applicable to taxable property in the taxing district.

49 USC 11504.

§ 11504. Withholding State and local income tax by certain carriers

(a)(1) In this subsection, an employee is deemed to have earned more than 50 percent of pay in a State or subdivision of a State if the employee—

(A) performs regularly assigned duties on a locomotive, car, or other track-borne vehicle in at least 2 States and the mileage

traveled in one State or subdivision of that State is more than 50 percent of the total mileage traveled by the employee while employed during the calendar year; or

(B) is engaged principally in maintaining roadways, signals, communications, and structures or in operating motortrucks from railroad terminals in at least 2 States and the percent of the time worked by the employee in one State or subdivision of that State is more than 50 percent of the total time worked by the employee while employed during the calendar year.

(2) A rail, express, or sleeping car carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title shall withhold from the pay of an employee referred to in paragraph (1) of this subsection only income tax required to be withheld by the laws of a State, or subdivision of that State— *Ante*, p. 1359.

(A) in which the employee earns more than 50 percent of the pay received by the employee from the carrier; or

(B) that is the residence of the employee (as shown on the employment records of the carrier), if the employee did not earn in one State or subdivision more than 50 percent of the pay received by the employee from the carrier during the preceding calendar year.

(b) (1) In this subsection— "State."

(A) "State" includes a State, territory, or possession of the United States, and the Commonwealth of Puerto Rico.

(B) an employee is deemed to have earned more than 50 percent of pay in a State or subdivision of a State in which the mileage traveled by the employee in that State or subdivision is more than 50 percent of the total mileage traveled by the employee while employed during the calendar year.

(2) A motor carrier providing transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title and a motor private carrier shall withhold from the pay of an employee having regularly assigned duties on a motor vehicle in at least 2 States, only income tax required to be withheld by the laws of a State, or subdivision of that State— *Ante*, p. 1361.

(A) in which the employee earns more than 50 percent of the pay received by the employee from the carrier; or

(B) that is the residence of the employee (as shown on the employment records of the carrier), if the employee did not earn in one State or subdivision more than 50 percent of the pay received by the employee from the carrier during the preceding calendar year.

(c) (1) In this subsection, an employee is deemed to have earned more than 50 percent of pay in a State or subdivision of that State in which the time worked by the employee in the State or subdivision is more than 50 percent of the total time worked by the employee while employed during the calendar year.

(2) A water carrier providing transportation subject to the jurisdiction of the Commission under subchapter III of chapter 105 of this title or a water carrier or class of water carriers providing transportation on inland or coastal waters under an exemption under this subtitle shall file income tax information returns and other reports only with— *Ante*, p. 1365.

(A) the State and subdivision of residence of the employee (as shown on the employment records of the carrier); and

(B) the State and subdivision in which the employee earned more than 50 percent of the pay received by the employee from the carrier during the preceding calendar year.

(3) This subsection applies to pay of a master, officer, or seaman who is a member of the crew on a vessel engaged in foreign, coastwise, intercoastal or noncontiguous trade or in the fisheries of the United States.

(d) A rail, express, sleeping car, motor, and motor private carrier withholding pay from an employee under subsection (a) or (b) of this section shall file income tax information returns and other reports only with—

(1) the State and subdivision of residence of the employee; and

(2) the State and subdivision in which withholding of pay is required under subsection (a) or (b) of this section.

49 USC 11505.

§ 11505. State action to enjoin rail carriers from certain actions

(a) The attorney general of a State or transportation regulatory authority of a State or area affected by a violation of sections 10901–10907 of this title, may bring a civil action to enjoin a rail carrier from violating those sections.

Ante, pp. 1402–1407.

(b) A transportation regulatory authority of a State affected by an abandonment of service by a freight forwarder in violation of section 10933 of this title may bring a civil action to enjoin the abandonment.

Ante, p. 1418.

49 USC 11506.

§ 11506. Registration of motor carriers by a State

"Standards," and "amendments to standards."

(a) In this section, "standards" and "amendments to standards" mean the specification of forms and procedures required by regulations of the Interstate Commerce Commission to prove the lawfulness of transportation by motor carrier referred to in section 10521(a) (1) and (2) of this title by—

Ante, p. 1361.

(1) filing and maintaining certificates and permits issued to the motor carrier by the Commission;

(2) registering motor vehicles operating under the certificates and permits;

(3) filing and maintaining proof of required insurance coverage or qualification as a self-insurer; and

(4) filing the name of a local agent for service of process.

(b) The requirement of a State that a motor carrier, providing transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title and providing transportation in that State, register the certificate or permit issued to the carrier under section 10922 or 10923 of this title is not an unreasonable burden on transportation referred to in section 10521(a) (1) and (2) of this title when the registration is completed under standards of the Commission under subsection (c) of this section. When a State registration requirement imposes obligations in excess of the standards, the part in excess is an unreasonable burden.

Ante, p. 1361.

Ante, pp. 1409, 1410.

Ante, p. 1361.

(c) (1) The Commission shall maintain standards and amendments to standards (A) prepared and certified to it by the national organization of the State Commissions, and (B) prescribed by the Commission. If the national organization determines to withdraw entirely standards prescribed by the Commission, the Commission shall prescribe new standards by the end of the first year after the national organization determines to withdraw the standards.

(2) An amendment to the standards prepared and certified by the national organization and prescribed by the Commission is effective

when the amendment is prescribed or at another time as determined by the national organization.

(d) The national organization shall consult with the Commission and representatives of motor carriers subject to the State registration requirement when preparing amendments to the standards. Different amendments may be prescribed for each class of motor carriers as warranted by the differences in the operations of each class.

(e) This section does not—

(1) authorize standards in conflict with regulations of the Commission; or

(2) affect the authority of the Commission to interpret its regulations and certificates and permits issued under section 10922 or 10923 of this title.

§ 11507. Prison-made property governed by State law

Ante, pp. 1409, 1410.

49 USC 11507.

Goods, wares, and merchandise produced or mined in a penal institution or by a prisoner not on parole or probation and transported into and used, sold, or stored in a State or territory or possession of the United States, is subject to the laws of that State, territory, or possession. This section does not apply to commodities produced in a penal institution of the United States Government for its use.

CHAPTER 117—ENFORCEMENT: INVESTIGATIONS, RIGHTS, AND REMEDIES

Sec.

11701. General authority.
11702. Enforcement by the Interstate Commerce Commission.
11703. Enforcement by the Attorney General.
11704. Action by a private person to enjoin abandonment of service.
11705. Rights and remedies of persons injured by certain carriers.
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11708. Private enforcement: motor carrier and freight forwarder licensing.
11709. Liability for issuance of securities by certain carriers.
11710. Liability when property is delivered in violation of routing instructions.

§ 11701. General authority

49 USC 11701.

(a) The Interstate Commerce Commission may begin an investigation under this subtitle on its own initiative or on complaint. If the Commission finds that a carrier or broker is violating this subtitle, the Commission shall take appropriate action to compel compliance with this subtitle. The Commission may take that action only after giving the carrier or broker notice of the investigation and an opportunity for a proceeding.

Investigations.

Notice.

(b) A person, including a governmental authority, may file with the Commission a complaint about a violation of this subtitle by a carrier providing, or broker for, transportation or service subject to the jurisdiction of the Commission under this subtitle. The complaint must state the facts that are the subject of the violation and, if it is against a water carrier, must be made under oath. The Commission may dismiss a complaint it determines does not state reasonable grounds for investigation and action. However, the Commission may not dismiss a complaint made against a common carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title because of the absence of direct damage to the complainant.

Complaints.

Ante, p. 1359.

(c) A formal investigative proceeding begun by the Commission under subsection (a) of this section related to a rail carrier is dismissed automatically unless it is concluded by the Commission with

administrative finality by the end of the 3d year after the date on which it was begun.

49 USC 11702.

§ 11702. Enforcement by the Interstate Commerce Commission

(a) The Interstate Commerce Commission may bring a civil action—

(1) to enjoin a rail carrier from violating section 10901–10907 or 10933 of this title, or a regulation prescribed or certificate issued under any of those sections;

Ante, pp. 1402–1407, 1418.

(2) to enforce section 10930 or 11323 of this title, or subchapter III of chapter 113 of this title and to compel compliance with the order of the Commission under any of those sections and that subchapter;

Ante, p. 1415, 1433, 1434.

(3) to enforce an order of the Commission, except a civil action to enforce an order for the payment of money, when it is violated by a carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title;

(4) to enforce this subtitle (except a civil action under a provision of this subtitle governing the reasonableness and discriminatory character of rates), or a regulation or order of the Commission or a certificate or permit issued under this subtitle when violated by a motor carrier or broker providing transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title;

Ante, p. 1361.

(5) to enforce this subtitle (except a civil action under a provision of this subtitle governing the reasonableness and discrimitory character of rates), or a regulation or order of the Commission or a certificate or permit issued under this subtitle, except a civil action to enforce an order for the payment of money, when violated by a carrier providing transportation subject to the jurisdiction of the Commission under subchapter III of chapter 105 of this title; and

Ante, p. 1365.

(6) to enforce this subtitle, or a regulation or order of the Commission or permit issued under this subtitle when violated by a carrier providing service subject to the jurisdiction of the Commission under subchapter IV of chapter 105 of this title.

Ante, p. 1369.

(b) In a civil action under subsection (a)(4) of this section—

(1) trial is in the judicial district in which the motor carrier or broker operates;

(2) process may be served without regard to the territorial limits of the district or of the State in which the action is instituted; and

(3) a person participating with a carrier or broker in a violation may be joined in the civil action without regard to the residence of the person.

49 USC 11703.

§ 11703. Enforcement by the Attorney General

(a) The Attorney General may, and on request of the Interstate Commerce Commission shall, bring court proceedings to enforce this subtitle or a regulation or order of the Commission or certificate or permit issued under this subtitle and to prosecute a person violating this subtitle or a regulation or order of the Commission or certificate or permit issued under this subtitle.

(b) The United States Government may bring a civil action on behalf of a person to compel a common carrier providing transportation or service subject to the jurisdiction of the Commission under chapter 105 of this title to provide that transportation or service to that person in compliance with this subtitle at the same rate charged,

Ante, p. 1358.

or on conditions as favorable as those given by the carrier, for like traffic under similar conditions to another person.

§ 11704. Action by a private person to enjoin abandonment of service 49 USC 11704.

An interested person may bring a civil action to enjoin an abandonment of service in violation of section 10933 of this title or a certificate issued under that section. *Ante*, p. 1418.

§ 11705. Rights and remedies of persons injured by certain carriers 49 USC 11705.

(a) A person injured because a carrier providing transportation or service subject to the jurisdiction of the Interstate Commerce Commission under chapter 105 of this title does not obey an order of the Commission, except an order for the payment of money, may bring a civil action to enforce that order under this subsection. *Ante*, p. 1359.

(b)(1) A common carrier providing transportation or service subject to the jurisdiction of the Commission under chapter 105 of this title is liable to a person for amounts charged that exceed the applicable rate for transportation or service contained in a tariff filed under subchapter IV of chapter 107 of this title. *Ante*, p. 1394.

(2) A common carrier providing transportation subject to the jurisdiction of the Commission under subchapter I or III of chapter 105 of this title is liable for damages sustained by a person as a result of an act or omission of that carrier in violation of this subtitle. *Ante*, pp. 1359, 1365.

(3) A common carrier providing transportation or service subject to the jurisdiction of the Commission under subchapter II or IV of chapter 105 of this title is liable for damages resulting from the imposition of rates for transportation or service the Commission finds to be in violation of this subtitle. *Ante*, pp. 1361, 1369.

(c)(1) A person may file a complaint with the Commission under section 11701(b) of this title or bring a civil action under subsection (b)(1) or (2) of this section to enforce liability against a common carrier providing transportation subject to the jurisdiction of the Commission under subchapter I or III of chapter 105 of this title. A person may begin a proceeding under section 10704 or 10705 of this title to enforce liability under subsection (b)(3) of this section by filing a complaint with the Commission under section 11701(b) of this title.

(2) When the Commission makes an award under subsection (b) of this section, the Commission shall order the carrier to pay the amount awarded by a specific date. The Commission may order a carrier providing transportation subject to the jurisdiction of the Commission under subchapter I or III of chapter 105 of this title to pay damages only when the proceeding is on complaint. The person for whose benefit an order of the Commission requiring the payment of money is made may bring a civil action to enforce that order under this paragraph if the carrier does not pay the amount awarded by the date payment was ordered to be made.

(d)(1) When a person begins a civil action under subsection (b) of this section to enforce an order of the Commission requiring the payment of damages by a common carrier providing transportation subject to the jurisdiction of the Commission under subchapter I or III of chapter 105 of this title, the text of the order of the Commission must be included in the complaint. In addition to the district courts of the United States, a State court of general jurisdiction having jurisdiction of the parties has jurisdiction to enforce an order under this

paragraph. The findings and order of the Commission are competent evidence of the facts stated in them. Trial in a civil action brought in a district court of the United States under this paragraph is in the judicial district (A) in which the plaintiff resides, (B) in which the principal operating office of the carrier is located, (C) if a rail carrier, through which the railroad line of that carrier runs, or (D) if a water carrier, in which a port of call on a route operated by that carrier is located. In a civil action under this paragraph, the plaintiff is liable for only those costs that accrue on an appeal taken by the plaintiff.

(2) All parties in whose favor the award was made may be joined as plaintiffs in a civil action brought in a district court of the United States under this subsection and all the carriers that are parties to the order awarding damages may be joined as defendants. Trial in the action is in the judicial district in which any one of the plaintiffs could bring the action against any one of the defendants. Process may be served on a defendant at its principal operating office when that defendant is not in the district in which the action is brought. A judgment ordering recovery may be made in favor of any of those plaintiffs against the defendant found to be liable to that plaintiff.

(3) The district court shall award a reasonable attorney's fee as a part of the damages for which a carrier is found liable under this subsection. The district court shall tax and collect that fee as a part of the costs of the action.

49 USC 11706.

§ 11706. Limitation on actions by and against common carriers

(a) A common carrier providing transportation or service subject to the jurisdiction of the Interstate Commerce Commission under chapter 105 of this title must begin a civil action to recover charges for transportation or service provided by the carrier within 3 years after the claim accrues.

Ante, p. 1359.

(b) A person must begin a civil action to recover overcharges under section 11705(b)(1) of this title within 3 years after the claim accrues. If that claim is against a common carrier providing transportation subject to the jurisdiction of the Commission under subchapter I or III of chapter 105 of this title and an election to file a complaint with the Commission is made under section 11705(c)(1), the complaint must be filed within 3 years after the claim accrues.

Ante, p. 1359, 1365.

(c)(1) A person must file a complaint with the Commission to recover damages under section 11705(b)(2) of this title within 2 years after the claim accrues.

(2) A person must begin a civil action to recover damages under section 11705(b)(3) of this title within 2 years after the claim accrues.

(d) The 3-year period under subsection (b) of this section is extended for 6 months from the time written notice is given to the claimant by the carrier of disallowance of any part of the claim specified in the notice if a written claim is given to the carrier within that 3-year period. The 3-year period under subsection (b) of this section and the 2-year period under subsection (c)(1) of this section are each extended for 90 days from the time the carrier begins a civil action under subsection (a) of this section to recover charges related to the same transportation or service, or collects (without beginning a civil action under that subsection) the charge for that transportation or service if that action is begun or collection is made within the appropriate period.

(e) A person must begin a civil action to enforce an order of the Commission against a carrier for the payment of money within one year after the date the order required the money to be paid.

(f) This section applies to transportation for the United States Government. The time limitations under this section are extended, as related to transportation for or on behalf of the United States Government, for 3 years from the date of (1) payment of the rate for the transportation or service involved, (2) subsequent refund for overpayment of that rate, or (3) deduction made under section 244 of title 31, whichever is later.

(g) A claim related to a shipment of property accrues under this section on delivery or tender of delivery by the carrier.

§ 11707. Liability of common carriers under receipts and bills of lading 49 USC 11707.

(a)(1) A common carrier providing transportation or service subject to the jurisdiction of the Interstate Commerce Commission under subchapter I, II, or IV of chapter 105 of this title shall issue a receipt or bill of lading for property it receives for transportation under this subtitle. That carrier and any other common carrier that delivers the property and is providing transportation or service subject to the jurisdiction of the Commission under subchapter I, II, or IV are liable to the person entitled to recover under the receipt or bill of lading. The liability imposed under this paragraph is for the actual loss or injury to the property caused by (1) the receiving carrier, (2) the delivering carrier, or (3) another carrier over whose line or route the property is transported in the United States or from a place in the United States to a place in an adjacent foreign country when transported under a through bill of lading and applies to property reconsigned or diverted under a tariff filed under subchapter IV of chapter 107 of this title. Failure to issue a receipt or bill of lading does not affect the liability of a carrier. A delivering carrier is deemed to be the carrier performing the line-haul transportation nearest the destination but does not include a carrier providing only a switching service at the destination. *Ante*, pp. 1359, 1361, 1369. *Ante*, p. 1394.

(2) A freight forwarder is both the receiving and delivering carrier. When a freight forwarder provides service subject to this subtitle and uses a motor common carrier providing transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title to receive property from a consignor, the motor common carrier may execute the bill of lading or shipping receipt for the freight forwarder with its consent. With the consent of the freight forwarder, a motor common carrier may deliver property for a freight forwarder on the freight forwarder's bill of lading, freight bill, or shipping receipt to the consignee named in it, and receipt for the property may be made on the freight forwarder's delivery receipt.

(b) The carrier issuing the receipt or bill of lading under subsection (a) of this section or delivering the property for which the receipt or bill of lading was issued is entitled to recover from the carrier over whose line or route the loss or injury occurred the amount required to be paid to the owners of the property, as evidenced by a receipt, judgment, or transcript, and the amount of its expenses reasonably incurred in defending a civil action brought by that person.

(c)(1) A common carrier may not limit or be exempt from liability imposed under subsection (a) of this section except as provided in this subsection. A limitation of liability or of the amount of recovery or representation or agreement in a receipt, bill of lading, contract, rule, or tariff filed with the Commission in violation of this section is void.

(2) If loss or injury to property occurs while it is in the custody of a water carrier, the liability of that carrier is determined by its bill of lading and the law applicable to water transportation. The liability of the initial or delivering carrier is the same as the liability of the water carrier.

(3) A common carrier of passengers may limit its liability under its passenger rate for loss or injury of baggage carried on passenger trains, boats, or motor vehicles, or on trains, or boats, or motor vehicles carrying passengers.

(4) A common carrier may limit its liability for loss or injury of property transported under section 10730 of this title.

Ante, p. 1389.

(d) A civil action under this section may be brought against a delivering carrier in a district court of the United States or in a State court. Trial, if the action is brought in a district court of the United States is in a judicial district, and if in a State court, is in a State, through which the defendant carrier operates a railroad or route.

(e) A carrier may not provide by rule, contract, or otherwise, a period of less than 9 months for filing a claim against it under this section and a period of less than 2 years for bringing a civil action against it under this section. The period for bringing a civil action is computed from the date that person receives written notice from the carrier that it has disallowed any part of the claim specified in the notice.

49 USC 11708.

§ 11708. Private enforcement: motor carrier and freight forwarder licensing

(a) If a person provides transportation by motor vehicle or service of a freight forwarder in clear violation of section 10921–10924, 10927, 10930–10932, or 11323 of this title, a person injured by the transportation or service may bring a civil action to enforce any such section. In a civil action under this subsection, trial is in the judicial district in which the person who violated that section operates.

Ante, pp. 1409–1412, 1413, 1415–1417, 1333.

(b) A copy of the complaint in a civil action under subsection (a) of this section shall be served on the Interstate Commerce Commission and a certificate of service must appear in the complaint filed with the court. The Commission may intervene in a civil action under subsection (a) of this section. The Commission may notify the district court in which the action is pending that it intends to consider the matter that is the subject of the complaint in a proceeding before the Commission. When that notice is filed, the court shall stay further action pending disposition of the proceeding before the Commission.

Notification.

(c) In a civil action under subsection (a) of this section, the court may determine the amount of and award a reasonable attorney's fee to the prevailing party. That fee is in addition to costs allowable under the Federal Rules of Civil Procedure.

28 USC app.

49 USC 11709.

§ 11709. Liability for issuance of securities by certain carriers

A carrier issuing a security or assuming an obligation or liability that is void under section 11301 of this title and its directors, officers, attorneys, and other agents who participate in authorizing, issuing, hypothecating, or selling that security, or in authorizing the assumption of that obligation or liability, are jointly and severally liable for the damages sustained by a person who acquires for value, in good faith, and without notice that the issue or assumption is void (1) that security, or (2) a security under which an assumption or liability is void. If a security void under that section is acquired directly from the carrier issuing it, the holder may rescind the transaction and recover

Ante, p. 1428.

the consideration given for the security when it is surrendered to that carrier.

§ 11710. Liability when property is delivered in violation of routing instructions

49 USC 11710.

(a) (1) When a carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title diverts or delivers property to another carrier in violation of routing instructions in the bill of lading, both of those carriers are jointly and severally liable to the carrier that was deprived of its right to participate in hauling that property for the total amount of the rate it would have received if it participated in hauling the property.

Ante, p. 1359.

(2) A carrier is not liable under paragraph (1) of this subsection when it diverts or delivers property in compliance with an order or regulation of the Commission.

(3) A carrier to whom property is transported is not liable under this subsection if it shows that it had no notice of the routing instructions before transporting the property. The burden of proving lack of notice is on that carrier.

(b) The court shall award a reasonable attorney's fee to the plaintiff in a judgment against the defendant carrier under subsection (a) of this section. The court shall tax and collect that fee as a part of the costs of the action.

CHAPTER 119—CIVIL AND CRIMINAL PENALTIES

Sec.

11901. General civil penalties.
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§ 11901. General civil penalties

49 USC 11901.

(a) Except as otherwise provided in this section, a common carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title, an officer or agent of that carrier or a receiver, trustee, lessee, or agent of one of them, knowingly violating an order of the Commission under this subtitle is liable to the United States Government for a civil penalty of $5,000 for each violation. Liability under this subsection is incurred for each distinct violation. A separate violation occurs for each day the violation continues.

(b) A common carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title, or a receiver or trustee of that carrier, violating a regulation or order of the Commission under section 10761, 10762, 10764, 10765, or

Ante, pp. 1394, 1397.

11128(a)(2) or (b) of this title is liable to the United States Government for a civil penalty of $500 for each violation and for $25 for each day the violation continues.

(c) A carrier, receiver, or trustee violating subchapter V of chapter 107 of this title, or a regulation under that subchapter, is liable to the United States Government for a civil penalty of $500 for each violation. A separate violation occurs each day the violation continues.

(d) A person knowingly authorizing, consenting to, or permitting a violation of sections 10901–10907 of this title or of a condition of a certificate or a regulation under any of those sections, is liable to the United States Government for a civil penalty of not more than $5,000.

(e)(1) A carrier, receiver, or operating trustee violating an order or direction of the Commission under section 11123, 11124, 11125, 11127, or 11128 (a)(1) of this title is liable to the United States Government for a civil penalty of at least $100 but not more than $500 for each violation and for $50 for each day the violation continues.

(2) A rail carrier, receiver, or operating trustee violating section 11126 of this title is liable to the United States Government for a civil penalty of $100 for each violation. A separate violation occurs for each car not counted when a car count is required under that section.

(f)(1) A person required under subchapter III of chapter 111 of this title to make, prepare, preserve, or submit to the Commission a record concerning transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title that does not make, prepare, preserve, or submit that record as required under that subchapter, is liable to the United States Government for a civil penalty of $500 for each violation.

(2) A carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title, and a lessor, receiver, or trustee of that carrier, violating section 11144 (b)(1) of this title, is liable to the United States Government for a civil penalty of $100 for each violation.

(3) A carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title, a lessor, receiver, or trustee of that carrier, a person furnishing cars or protective services against heat or cold, and an officer, agent, or employee of one of them, required to make a report to the Commission or answer a question that does not make the report or does not specifically, completely, and truthfully answer the question, is liable to the United States Government for a civil penalty of $100 for each violation.

(4) A separate violation occurs for each day a violation under this subsection continues.

(g) A person required to make a report to the Commission, answer a question, or make, prepare, or preserve a record under this subtitle concerning transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title, or an officer, agent, or employee of that person that (1) does not make the report, (2) does not specifically, completely, and truthfully answer the question, (3) does not make, prepare, or preserve the record in the form and manner prescribed by the Commission, or (4) does not comply with section 10921 of this title, is liable to the United States Government for a civil penalty of not more than $500 for each violation and for not more than $250 for each additional day the violation continues.

(h)(1) Trial in a civil action under subsections (a)–(f) of this section is in the judicial district in which the carrier has its principal

Ante, p. 1425.

Ante, p. 1398.

Ante, pp. 1402–1407.

Ante, pp. 1422–1425.

Ante, p. 1424.

Ante, p. 1425.

Ante, p. 1359.

Ante, p. 1426.

Ante, p. 1361.

Ante, p. 1409.

operating office or in a district through which the railroad of the carrier runs.

(2) Trial in a civil action under subsection (g) of this section is in the judicial district in which (A) the motor carrier or broker has its principal office, (B) the motor carrier or broker was authorized to provide transportation under this subtitle when the violation occurred, (C) the violation occurred, or (D) the offender is found. Process in the action may be served in the judicial district of which the offender is an inhabitant or in which the offender may be found.

§ 11902. Civil penalty for accepting rebates from common carrier 49 USC 11902.

A person (1) delivering property to a common carrier providing transportation or service subject to the jurisdiction of the Interstate Commerce Commission under chapter 105 of this title for transportation under this subtitle or for whom that carrier will transport the property as consignor or consignee for that person from a State or territory or possession of the United States to another State or possession, territory, or to a foreign country, and (2) knowingly accepting or receiving by any means a rebate or offset against the rate for transportation for, or service of, that property contained in a tariff filed with the Commission under subchapter IV of chapter 107 of this title, is liable to the United States Government for a civil penalty in an amount equal to 3 times the amount of money that person accepted or received as a rebate or offset and 3 times the value of other consideration accepted or received as a rebate or offset. In a civil action under this section, all money or other consideration received by the person during a period of 6 years before an action is brought under this section may be included in determining the amount of the penalty, and if that total amount is included, the penalty shall be 3 times that total amount.

Ante, p. 1394.

§ 11903. Rate, discrimination, and tariff violations 49 USC 11903.

(a) A person that knowingly offers, grants, gives, solicits, accepts, or receives by any means transportation or service provided for property by a common carrier subject to the jurisdiction of the Interstate Commerce Commission under chapter 105 of this title (1) at less than the rate in effect under chapter 107 of this title, or (2) by practicing discrimination, shall be fined at least $1,000 but not more than $20,000, imprisoned for not more than 2 years, or both.

Ante, p. 1359.
Ante, p. 1371.

(b) A carrier providing transportation or service subject to the jurisdiction of the Commission under chapter 105 of this title or an officer, director, receiver, trustee, lessee, agent, or employee of a corporation that is subject to the jurisdiction of the Commission under that chapter, that willfully does not file and publish its rates or tariffs as required under chapter 107 of this title or observe those tariffs until changed under law, shall be fined at least $1,000 but not more than $20,000, imprisoned for not more than 2 years, or both.

(c) When acting in the scope of their employment, the actions and omissions of persons acting for or employed by a carrier or shipper that is subject to subsection (a) or (b) of this section are considered to be the actions and omissions of that carrier or shipper as well as that person.

(d) Trial in a criminal action under this section is in the judicial district in which any part of the violation is committed or through which the transportation is conducted.

§ 11904. Additional rate and discrimination violations 49 USC 11904.

(a)(1) A common carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under sub-

chapter I of chapter 105 of this title, and when that carrier is a corporation, an officer, employee, or agent of the corporation, that by any means knowingly and willfully assists a person in getting, or willingly permits a person to get, transportation provided under this subtitle for property at less than the rate in effect for that transportation under chapter 107 of this title, shall be fined not more than $5,000, imprisoned for not more than 2 years, or both.

Ante, p. 1359.

Ante, p. 1371.

(2) A person, or officer or agent of the person, that (A) delivers property for transportation under this subtitle to a common carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title, or for whom that carrier transports property as consignor or consignee, and (B) knowingly and willfully by any means gets or attempts to get that property transported at less than the rate in effect for that transportation under chapter 107 of this title, shall be fined not more than $5,000, imprisoned for not more than 2 years, or both.

(3) A person, or an officer or agent of a corporation or company that by payment of anything of value, solicitation, or in any other way, induces or attempts to induce a common carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title, or any of its officers or agents, to discriminate unreasonably against another consignor or consignee in the transportation of property shall be fined not more than $5,000, imprisoned for not more than 2 years, or both.

(b) A person, or an officer, employee, or agent of that person, that (1) knowingly offers, grants, gives, solicits, accepts, or receives a rebate, concession, or discrimination in violation of a provision of this subtitle related to motor carrier transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title, or (2) by any means knowingly and willfully assists or permits another person to get transportation that is subject to the jurisdiction of the Commission under that subchapter at less than the rate in effect for that transportation under chapter 107 of this title, shall be fined at least $200 but no more than $500 for the first violation and at least $250 but not more than $2,000 for a subsequent violation.

Ante, p. 1361.

(c) (1) A water carrier providing transportation subject to the jurisdiction of the Commission under subchapter III of chapter 105 of this title, or an officer, agent, or employee of that carrier, that knowingly and willfully by any means offers, grants, or gives, or intentionally permits a person to get, transportation provided under that subchapter at less than the rate in effect for that transportation under chapter 107 of this title, shall be fined not more than $5,000.

Ante, p. 1365.

(2) A person that knowingly and willfully by any means solicits, accepts, or receives transportation provided under subchapter III of chapter 105 of this title at less than the rate in effect for that transportation under chapter 107 of this title, shall be fined not more than $5,000.

(3) Trial in a criminal action under this subsection is in the judicial district in which any part of the violation is committed.

(d) (1) A freight forwarder providing service subject to the jurisdiction of the Commission under subchapter IV of chapter 105 of this title, or an officer, agent, or employee of that freight forwarder, that knowingly and willfully assists a person in getting, or willingly permits a person to get, service provided under that subchapter at less

Ante, p. 1369.

than the rate in effect for that service under chapter 107 of this title, shall be fined not more than $500 for the first violation and not more than $2,000 for a subsequent violation. *Ante*, p. 1371.

(2) A person that knowingly and willfully by any means gets, or attempts to get, service provided under subchapter IV of chapter 105 of this title at less than the rate in effect for that service under chapter 107 of this title, shall be fined not more than $500 for the first violation and not more than $2,000 for a subsequent violation. *Ante*, p. 1369.

§ 11905. Transportation of passengers without charge 49 USC 11905.

A common carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I, II, or III of chapter 105 of this title that provides transportation of passengers without charge except as provided in section 10721(b), 10722 (c) and (d) (if the transportation is for its employees on sleeping and express cars or linemen of telegraph and telephone companies), 10723(a)(1) (other than paragraph (1)(A) of that subsection when transportation is arranged by a municipal government), or 10724(a) of this title, shall be fined at least $100 but not more than $2,000. An individual who uses a free ticket for, or accepts transportation subject to the jurisdiction of the Commission under those subchapters, except as provided in those sections, shall be fined at least $100 but not more than $2,000. *Ante*, pp. 1359, 1361, 1365. *Ante*, p. 1383. *Ante*, p. 1384. *Ante*, p. 1385. *Ante*, p. 1386.

§ 11906. Evasion of regulation of motor carriers and brokers 49 USC 11906.

A person, or an officer, employee, or agent of that person that by any means knowingly and willfully tries to evade regulation provided under this subtitle for motor carriers or brokers shall be fined at least $200 but not more than $500 for the first violation and at least $250 but not more than $2,000 for a subsequent violation.

§ 11907. Interference with railroad car supply 49 USC 11907.

(a) A person that offers or gives anything of value to another person acting for or employed by a rail carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title intending to influence an action of that other person related to supply, distribution, or movement of cars, vehicles, or vessels used in the transportation of property, or because of the action of that other person, shall be fined not more than $1,000, imprisoned for not more than 2 years, or both.

(b) A person acting for or employed by a rail carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title that solicits, accepts, or receives anything of value (1) intending to be influenced by it in an action of that person related to supply, distribution, or movement of cars, vehicles, or vessels used in the transportation of property, or (2) because of the action of that person, shall be fined not more than $1,000, imprisoned for not more than 2 years, or both.

§ 11908. Abandonment of service by freight forwarder 49 USC 11908.

A freight forwarder controlled by or under common control with a common carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I, II, or III of chapter 105 of this title, or a director, officer, receiver, operating trustee, lessee, agent, or employee of that freight forwarder or common carrier, that knowingly authorizes or permits a violation of section 10933 of this title, shall be fined not more than $5,000. *Ante*, p. 1418.

49 USC 11909.

§ 11909. Record keeping and reporting violations

(a) A person required to make a report to the Interstate Commerce Commission, or make, prepare, or preserve a record, under subchapter III of chapter 111 of this title about transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title that knowingly and willfully (1) makes a false entry in the report or record, (2) destroys, multilates, changes, or by another means falsifies the record, (3) does not enter business related facts and transactions in the record, (4) makes, prepares, or preserves the record in violation of a regulation or order of the Commission, or (5) files a false report or record with the Commission, shall be fined not more than $5,000, imprisoned for not more than 2 years, or both.

Ante, p. 1425.

Ante, p. 1359.

(b) A person required to make a report to the Commission, answer a question, or make, prepare, or preserve a record under this subtitle about transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title, or an officer, agent, or employee of that person, that (1) willfully does not make that report, (2) willfully does not specifically, completely, and truthfully answer that question in 30 days from the date the Commission requires the question to be answered, (3) willfully does not make, prepare, or preserve that record in the form and manner prescribed by the Commission, (4) knowingly and willfully falsifies, destroys, mutilates, or changes that report or record, (5) knowingly and willfully files a false report or record with the Commission, (6) knowingly and willfully makes a false or incomplete entry in that record about a business related fact or transaction, or (7) knowingly and willfully makes, prepares, or preserves a record in violation of a regulation or order of the Commission, shall be fined not more than $5,000.

Ante, p. 1361.

(c) A person required to make a report to the Commission, answer a question, or make, prepare, or preserve a record under this subtitle about transportation subject to the jurisdiction of the Commission under subchapter III of chapter 105 of this title, or an officer, agent, or employee of that person, that (1) willfully does not make that report, (2) willfully does not specifically, completely and truthfully answer that question in 30 days from the date the Commission requires the question to be answered, (3) willfully does not make, prepare, or preserve that record in the form and manner prescribed by the Commission, (4) willfully falsifies, destroys, mutilates, or changes that report, or record, (5) willfully makes a false or incomplete entry in the record about a fact or transaction required under this subtitle, (6) willfully makes, prepares, or preserves a record in violation of a regulation or order of the Commission, or (7) knowingly and willfully files a false report or record with the Commission, shall be fined not more than $5,000. Trial in a criminal action under this subsection is in the judicial district in which any part of the violation is committed.

Ante, p. 1365.

(d) A freight forwarder, or an officer, agent, or employee of that freight forwarder, required to make a report to the Commission, answer a question, or make, prepare, or preserve a record under this subtitle about transportation subject to the jurisdiction of the Commission under subchapter IV of chapter 105 of this title that (1) willfully does not make that report, (2) willfully does not specifically, completely, and truthfully answer that question in 30 days from the date the Commission requires the question to be answered, (3) willfully does not make, prepare, or preserve that record in the form and manner prescribed by the Commission, (4) knowingly and willfully

Ante, p. 1369.

falsifies, destroys, mutilates, or changes that report or record, (5) knowingly and willfully files a false report or record with the Commission, (6) knowingly and willfully makes a false or incomplete entry in that record about a fact or transaction related to the business of that freight forwarder, or (7) knowingly and willfully makes, prepares, or preserves a record in violation of a regulation or order of the Commission, shall be fined not more than $5,000.

§ 11910. Unlawful disclosure of information

49 USC 11910.

(a)(1) A common carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title, or an officer, agent, or employee of that carrier, or another person authorized to receive information from that carrier, that knowingly discloses to another person, except the shipper or consignee, or a person who solicits or knowingly receives (A) information about the nature, kind, quantity, destination, consignee, or routing of property tendered or delivered to that carrier for transportation provided under this subtitle without the consent of the shipper or consignee, and (B) that information may be used to the detriment of the shipper or consignee or may disclose improperly, to a competitor the business transactions of the shipper or consignee, shall be fined not more than $1,000.

Ante, p. 1359.

(2) A motor carrier or broker providing transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title or an officer, receiver, trustee, lessee, or employee of that carrier or broker, or another person authorized by that carrier or broker to receive information from that carrier or broker may not knowingly disclose to another person, except the shipper or consignee, and another person may not solicit, or knowingly receive, information about the nature, kind, quantity, destination, consignee, or routing of property tendered or delivered to that carrier or broker for transportation provided under this subtitle without the consent of the shipper or consignee if that information may be used to the detriment of the shipper or consignee or may disclose improperly to a competitor the business transactions of the shipper or consignee.

Ante, p. 1361.

(3) A common carrier providing transportation subject to the jurisdiction of the Commission under subchapter III of chapter 105 of this title, or an officer, receiver, trustee, lessee, agent, or employee of that carrier, or another person authorized by that carrier or person to receive information from that carrier, that knowingly and willfully discloses to another person, except the shipper or consignee, or a person that solicits or knowingly and willfully receives (A) information about the nature, kind, quantity, destination, consignee, or routing of property tendered or delivered to that carrier for transportation provided under that subchapter without the consent of the shipper or consignee, and (B) that information may be used to the detriment of the shipper or consignee or may disclose improperly, to a competitor, the business transactions of the shipper or consignee, shall be fined not more than $2,000. Trial in a criminal action under this paragraph is in the judicial district in which any part of the violation is committed.

Ante, p. 1365.

(4) A freight forwarder providing service subject to the jurisdiction of the Commission under subchapter IV of chapter 105 of this title, or an officer, agent, or employee of that freight forwarder, or another person authorized by that freight forwarder, or person to receive information, who knowingly and willfully discloses to another person, except the shipper or consignee, or a person that solicits or knowingly and willfully receives (A) information about the nature,

Ante, p. 1369.

kind, quantity, destination, consignee, or routing of property tendered or delivered to that forwarder for service provided under that subchapter without the consent of the shipper or consignee, and (B) that information may be used to the detriment of the shipper or consignee or may disclose improperly, to a competitor the business transactions of the shipper or consignee, shall be fined not more than $100 for the first violation and not more than $500 for a subsequent violation. A separate violation occurs each day the violation continues.

(b) This subtitle does not prevent a carrier or broker providing transportation subject to the jurisdiction of the Commission under chapter 105 of this title from giving information—

Ante, p. 1359.

(1) in response to legal process issued under authority of a court of the United States or a State;

(2) to an officer, employee, or agent of the United States Government, a State, or a territory or possession of the United States; or

(3) to another carrier or its agent to adjust mutual traffic accounts in the ordinary course of business.

(c) An employee of the Commission delegated to make an inspection or examination under section 11144 of this title who knowingly discloses information acquired during that inspection or examination, except as directed by the Commission, a court, or a judge of that court, shall be fined not more than $500, imprisoned for not more than 6 months, or both.

Ante, p. 1426.

49 USC 11911.

§ 11911. Issuance of securities; disposition of funds; restriction on ownership

(a) A director, officer, attorney, or agent of a carrier defined in section 11301(a)(1) of this title or of a person to which that section is made applicable by section 11302(a) of this title that knowingly agrees to or concurs in (1) an issue of securities or assumption of obligations or liability in violation of section 11301 of this title, (2) a disposition of securities in violation of an order of the Interstate Commerce Commission, or (3) an application not authorized by the Commission of the funds derived by the carrier through a disposition of securities shall be fined at least $1,000 but not more than $10,000, imprisoned for at least one year but not more than 3 years, or both.

Ante, p. 1428.

Ante, p. 1430.

(b) A person that violates section 11322 of this title shall be fined at least $1,000 but not more than $10,000, imprisoned for at least one year but not more than 3 years, or both.

Ante, p. 1433.

49 USC 11912.

§ 11912. Consolidation, merger, and acquisition of control: violation by a person not a carrier

A person, other than a common carrier, that violates section 11343, 11344, 11345, 11346, or 11347 of this title shall be fined not more than $5,000.

Ante, pp. 1434–1439.

§ 11913. Disobedience to subpenas 49 USC 11913.

A person not obeying a subpena or requirement of the Interstate Commerce Commission to appear and testify or produce records shall be fined at least $100 but not more than $5,000, imprisoned for not more than one year, or both.

§ 11914. General criminal penalty when specific penalty not provided 49 USC 11914.

(a) When another criminal penalty is not provided under this chapter, a common carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title, and when that carrier is a corporation, a director or officer of the corporation, or a receiver, trustee, lessee, or person acting for or employed by the corporation that, alone or with another person, willfully violates this subtitle or an order prescribed under this subtitle, shall be fined not more than $5,000. However, if the violation is for discrimination in rates charged for transportation, the person may be imprisoned for not more than 2 years in addition to being fined under this subsection. A separate violation occurs each day a violation of section 11321(a) or 11342 of this title continues. *Ante*, p. 1359. *Ante*, pp. 1432, 1434.

(b) When another criminal penalty is not provided under this chapter, a person that knowingly and willfully violates a provision of this subtitle or a regulation or order prescribed under this subtitle, or a condition of a certificate or permit issued under this subtitle related to transportation that is subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title, shall be fined at least $100 but not more than $500 for the first violation and at least $200 but not more than $500 for a subsequent violation. A separate violation occurs each day the violation continues. *Ante*, p. 1361.

(c) When another criminal penalty is not provided under this chapter, a person that knowingly and willfully violates a provision of this subtitle or a regulation or order prescribed under this subtitle, or a condition of a certificate or permit issued under this subtitle related to transportation that is subject to the jurisdiction of the Commission under subchapter III of chapter 105 of this title, shall be fined not more than $500. A separate violation occurs each day the violation continues. Venue in a criminal action under this subsection is in the judicial district in which any part of the violation was committed. *Ante*, p. 1365.

(d) When another criminal penalty is not provided under this chapter, a person that knowingly and willfully violates a provision of this subtitle or a regulation or order prescribed under this subtitle or a condition of a permit issued under this subtitle related to service that is subject to the jurisdiction of the Commission under subchapter IV of chapter 105 of this title, shall be fined not more than $100 for the first violation and not more than $500 for a subsequent violation. A separate violation occurs each day the violation continues. *Ante*, p. 1370.

49 USC 11915.

§ 11915. Punishment of corporation for violations committed by certain individuals

An act or omission that would be a violation of this subtitle if committed by a director, officer, receiver, trustee, lessee, agent, or employee of a common carrier providing transportation or service subject to the jurisdiction of the Interstate Commerce Commission under chapter 105 of this title that is a corporation is also a violation of this subtitle by that corporation. The penalties of this chapter apply to that violation. When acting in the scope of their employment, the actions and omissions of individuals acting for or employed by that carrier are considered to be the actions and omissions of that carrier as well as that individual.

Ante, p. 1359.

49 USC 11916.

§ 11916. Conclusiveness of rates in certain prosecutions

When a carrier files with the Interstate Commerce Commission or publishes a particular rate under chapter 107 of this title or participates in one of those rates, the published or filed rate is conclusive proof against that carrier, its officers, and agents that it is the legal rate for that transportation or service in a proceeding begun under section 11902 or 11903 of this title. A departure, or offer to depart, from that rate is a violation of those sections.

Ante, p. 1371.

CONFORMING AND TECHNICAL PROVISIONS

SEC. 2. (a) (1) Title 18, United States Code, is amended—

(A) by striking out of the first definition of section 831 "common, contract, or private carrier, or freight forwarder as those terms are used in the Interstate Commerce Act, as amended" and substituting "common, contract, or motor private carrier, as those terms are defined in section 10102 of title 49"; and

(B) by striking out of section 835(c) "by the Interstate Commerce Act" and substituting "under subtitle IV of title 49".

(2) The Internal Revenue Code of 1954 (26 U.S.C. 1) is amended—

26 USC 48.

(A) by striking out of section 48(a)(2)(B)(ii) "subject to part I of the Interstate Commerce Act" and substituting "providing transportation subject to subchapter I of chapter 105 of title 49";

26 USC 185.

(B) by striking out of section 185(e)(3)(B) "section 19a of part I of the Interstate Commerce Act (49 U.S.C. 19a)" and "such section 19a" and substituting "subchapter V of chapter 107 of title 49" and "such subchapter V", respectively;

26 USC 250.

(C) by striking out of section 250(a)(1) "common carrier by railroad (as defined in section 1(3) of the Interstate Commerce Act (49 U.S.C. 1(3)))" and substituting "rail carrier (as defined in section 10102(17) of title 49)";

26 USC 281.

(D) by striking out of section 281(d)(1)(A) "subject to part I of the Interstate Commerce Act (49 U.S.C. 1 and following)" and substituting "providing transportation subject to subchapter I of chapter 105 of title 49";

(E) by striking out of section 281(d)(1)(B) "subject to part I of the Interstate Commerce Act" and substituting "providing transportation subject to subchapter I of chapter 105 of title 49";

(F) by striking out of section 354(c) "section 20b of the Interstate Commerce Act" and substituting "subchapter IV of chapter 113 of title 49"; 26 USC 354.

(G) by striking out of section 3231(g) "express company, sleeping-car company, or carrier by railroad, subject to part I of the Interstate Commerce Act (49 U.S.C., chapter 1)" and substituting "express carrier, sleeping car carrier, or rail carrier providing transportation subject to subchapter I of chapter 105 of title 49"; and 26 USC 3231.

(H) by striking out of section 6362(f)(9) "26, 226A, or 324 of the Interstate Commerce Act" and substituting "section 11504 of title 49". 26 USC 6362.

(3) Title 28, United States Code, is amended—

(A) by striking out of section 1445(b) "section 20 of Title 49" and substituting "section 11707 of title 49";

(B) by striking out of section 2321(c) "the cases and proceedings under section 20 of the Act of February 4, 1887, as amended (24 Stat. 386; 49 U.S.C. 20), section 23 of the Act of May 16, 1942, as amended (56 Stat. 301; 49 U.S.C. 23), and section 3 of the Act of February 19, 1903, as amended (32 Stat. 848; 49 U.S.C. 43)" and substituting "enforcement actions and actions to collect civil penalties under subtitle IV of title 49"; and

(C) by striking out of section 2323 "actions under section 20 of the Act of February 4, 1887, as amended (24 Stat. 386; 49 U.S.C. 20), section 23 of the Act of May 16, 1942, as amended (56 Stat. 301; 49 U.S.C. 23), and section 3 of the Act of February 19, 1903, as amended (32 Stat. 848; 49 U.S.C. 43)" and substituting "enforcement actions and actions to collect civil penalties under subtitle IV of title 49".

(4) Title 39, United States Code, is amended—

(A) by striking out of section 5201(2) "motor carrier, or an express company" and substituting "motor common carrier, or express carrier";

(B) by striking out section 5201(5) and substituting the following: "Motor common carrier."

"(5) 'motor common carrier' means a motor common carrier, except a passenger-carrying motor vehicle of such a carrier, within the meaning of section 10102(11) of title 49, that holds a certificate of public convenience and necessity issued by the Commission;";

(C) by striking out of section 5201(6) "company" and "section 1(3) of title 49" and substituting "carrier" and "section 10102(7)", respectively;

(D) by striking out of section 5203 "motor carrier" each time it appears and substituting "motor common carrier" in each place; and

(E) by striking out of section 5215(a) "motor carrier" and substituting "motor common carrier".

(5) Section 308(c)(1) of title 44, United States Code, is amended by striking out "section 66 of title 49" and substituting "section 244 of title 31".

49 USC 11503 note.

(b) Section 11503 of title 49, as stated in the first section of this Act, is effective after February 4, 1979.

LEGISLATIVE PURPOSE AND CONSTRUCTION

49 USC prec. 10101 note.

Ante, pp. 1337, 1464.

SEC. 3. (a) Sections 1 and 2 of this Act restate, without substantive change, laws enacted before May 16, 1978, that were replaced by those sections. Those sections may not be construed as making a substantive change in the laws replaced. Laws enacted after May 15, 1978, that are inconsistent with this Act are considered as superseding it to the extent of the inconsistency.

(b) A reference to a law replaced by sections 1 and 2 of this Act, including a reference in a regulation, order, or other law, is deemed to refer to the corresponding provision enacted by this Act.

(c) An order, rule, or regulation in effect under a law replaced by sections 1 and 2 of this Act continues in effect under the corresponding provision enacted by this Act until repealed, amended, or superseded.

(d) An action taken or an offense committed under a law replaced by sections 1 and 2 of this Act is deemed to have been taken or committed under the corresponding provision enacted by this Act.

(e) An inference of a legislative construction is not to be drawn by reason of the location in the United States Code of a provision enacted by this Act or by reason of the caption or catchline thereof.

(f) If a provision enacted by this Act is held invalid, all valid provisions that are severable from the invalid provision remain in effect. If a provision of this Act is held invalid in any of its applications, the provision remains valid for all valid applications that are severable from any of the invalid applications.

REPEALS

49 USC prec. 10101 note.

SEC. 4. (a) The repeal of a law by this Act may not be construed as a legislative inference that the provision was or was not in effect before its repeal.

(b) The laws specified in the following schedule are repealed except as provided in subsection (c) of this section and except for rights and duties that matured, penalties that were incurred, and proceedings that were begun before the date of enactment of this Act:

Schedule of Laws Repealed

Statutes at Large

Date	Chapter or Public Law	Section	Statutes at Large	
			Volume	Page
1887				
Feb. 4	104	(less 25, 203(a) (22), (23), 204(a)(1) ("qualifications" through period), (a)(2) ("qualifications" through period), (a)(3), (a)(3a), (a)(5), 220(f), 226).	24	379.
1889				
Mar. 2	382			
	411	1 (proviso)	25	855.
1891			25	954.
Feb. 10	128			
1899			26	743.
Feb. 11	83			
1906			27	443.
Feb. 8	61			
1908			28	643.
Feb. 19	708			
1908			32	847.
Mar. 7	P. R. 8			
Mar. 21	P. R. 11		34	823.
June 29	3591		34	834.
1908			34	844.
Apr. 13	143			
1909			35	60.
Feb. 25	193			
1910			35	648.
June 18	309			
1912			36	530.
Aug. 24	390	11 (less last par. on p. 567)	37	566.
1913				
Mar. 1	92			
Oct. 22	32	1 (last full par. on p. 219 and all language before the heading "United States Courts" on p. 221).	37	701.
1914			38	219, 221.
Aug. 1	223	1 (5th full par.)		
1915			38	627.
Mar. 4	176			
1916			38	1196.
Aug. 9	301			
29	417	1 (2d full par.)	39	441.
1917			39	604.
May 20	23			
Aug. 9	50		40	101.
10	51		40	270.
1920			40	272.
Feb. 28	91	(less 1, 213, 441 "Sec. 28," 500)		
May 8	172	1 (1st par.)	41	456.
1921			41	500.
Feb. 26	72			
27	81		41	1145.
June 10	20		41	1140.
1922			42	27.
Feb. 24	70			
June 7	210		42	393.
Aug. 18	280		42	624.
Sept. 22	413		42	827.
1922			42	1025.
Mar. 3	233			
1924			42	1443.
June 7	325			
1925			43	633.
Jan. 20	120			
1926			43	801.
July 3	781			
			44	835.

Statutes at Large

Date	Chapter or Public Law	Section	Statutes at Large	
			Volume	Page
1937				
Feb. 26	217		44	1247.
Mar. 4	510	(less 6)	44	1446.
1939				
Jan. 19	79		45	1084.
1940				
Apr. 23	208		46	251.
1938				
Mar. 15	78		47	65.
1933				
Feb 28	136		47	1368.
June 16	91		48	211.
1934				
June 13	498		48	954.
19	648	1 (2d full par.)	48	1056.
	652	602(b)	48	1102.
1935				
Feb. 2	3	3	49	19.
May 23	136		49	287.
June 14	247		49	376.
July 16	383		49	481.
Aug. 9	498	(less 1 "Sec. 204(a)(1) ('qualifications' through period), (a)(2) ('qualifications' through period), (a)(3), (a)(5), 225").	49	543.
12	509		49	607.
1937				
July 5	432		50	475.
Aug. 25	776		50	809.
1938				
June 23	601	1107(j)	52	1029.
29	811		52	1236.
1940				
Jan. 7	938		54	1226.
Sept. 18	722	(less 14(b), 20(b)(4), 24 "Sec. 220 (f)", 322, 331)	54	898.
1948				
Mar. 27	199	101-103 (title I)	56	176.
May 14	318		56	284.
Aug. 7	552		56	746.
1943				
Nov. 12	299		57	590.
1944				
Sept. 27	423		58	751.
1945				
May 16	126		59	189.
Dec. 12	573		59	606.
1946				
Feb. 20	32		60	21.
1943				
Apr. 9	180	(less 3)	62	162.
June 3	386		62	295.
12	457		62	386.
17	491		62	472.
24	522		62	602.
1949				
May 24	139	133	63	108.
June 29	272		63	280.
July 26	361		63	479.
Aug. 2	379		63	485.
1950				
Sept. 1	835		64	574.
Dec. 20	1140		64	1113.
1952				
June 27	477	402(g)	66	277.
July 3	570	1(a)(25), (26)	66	332.
9	569		66	479.
10	648		66	542.
16	881		66	724.
1953				
June 30	165		67	115.
July 31	292		67	244.

Statutes at Large

Date	Chapter or Public Law	Section	Statutes at Large	
			Volume	Page
1954				
July 22	563		68	526.
1956				
July 27	759		70	702.
Aug. 3	928		70	983.
1957				
July 11	85-99		71	292.
Aug. 13	85-124		71	343.
14	85-135	4	71	352.
16	85-150		71	369.
22	85-163		71	411.
28	85-176		71	452.
31	85-246		71	564.
Sept. 7	85-300		71	631.
1958				
Aug. 12	85-625		72	568.
23	85-728		72	812.
26	85-762	1	72	859.
Sept. 2	85-857	13(a)	72	1264.
1960				
June 11	86-507	1(38)	74	202.
July 12	86-615		74	382.
1961				
Apr. 1	87-16		75	41.
Sept. 14	87-247		75	517.
1962				
Aug. 24	87-595		76	397.
Sept. 27	87-707		76	635.
Oct. 15	87-805		76	911.
1963				
Dec. 17	88-208		77	402.
1965				
July 24	89-86		79	263.
27	89-93		79	284.
Sept. 6	89-170		79	648.
1966				
May 26	89-430		80	168.
Oct. 15	89-670	8(d)	80	943.
Nov. 10	89-804		80	1521.
1968				
July 26	90-433		82	446.
Oct. 17	90-586	1	82	1149.
1970				
Oct. 15	91-452	243-245	84	931.
Dec. 23	91-569	1-3	84	1499.
28	91-540		84	1587.
1972				
July 7	92-338		86	423.
13	92-348	5, 6	86	463.
1973				
July 10	93-69	201-202 (title II)	87	166-168.
Dec. 27	93-201		87	838.
1974				
Jan. 2	93-236	205, 601(e)	87	993, 1021.
Feb. 8	93-249		88	11.
Oct. 28	93-496	14	88	1532.
Dec. 21	93-528	6(b)	88	1709.
1976				
Jan. 2	93-585	9	88	1918.
Feb. 28	94-5	3	89	7.
1976				
Feb. 5	94-210	201, 202 (less (f)), 203-212, 301-307, 308(a)(3), 309, 310, 312, 402, 403, 801, 802, 804 "Sec. 304(j)", 809(c).	90	34-38, 39-56, 57-60, 62-66, 125-130, 139, 146.
Apr. 21	94-273	11(4)	90	378.
Oct. 19	94-555	206, 218, 220(i)-(o)	90	2621, 2628, 2630.
1978				
Feb. 15	95-231		92	29.

Reorganization Plans

Year	Plan No.	Section	Statutes at Large	
			Volume	Page
1968	1		82	1369.

49 USC prec. 10101 note.

(c) The laws specified in the schedule in subsection (b) of this section, as they existed on October 1, 1977, are not repealed to the extent—

(1) those laws (A) vested functions in the Interstate Commerce Commission, or in the chairman or members of the Commission, related to the transportation of oil by pipeline, and (B) vested functions and authority in the Commission, or an officer or component of the Commission, related to the establishment of rates or charges for the transportation of oil by pipeline or the valuation of any such pipeline; and

(2) those functions and authority were transferred by sections 306 and 402(b) of the Department of Energy Organization Act (91 Stat. 581, 584, 42 U.S.C. 7155, 7172(b)).

Effective date. 49 USC prec. 10101 note. 49 USC 1 note, 1020 note.

(d) The repeals, by subsection (b) of this section, of section 1(a) (25), (26) of the Act of July 3, 1952, chapter 570, the Act of June 30, 1953, chapter 165, and the Act of July 31, 1953, chapter 169, are effective on September 14, 1978.

Approved October 17, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1395 (Comm. on the Judiciary).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 19, considered and passed House.
Sept. 25, considered and passed Senate, amended.
Sept. 26, House concurred in Senate amendment.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 42:
Oct. 18, Presidential statement.

Public Law 95-474
95th Congress

An Act

To amend the Ports and Waterways Safety Act of 1972, and for other purposes.

Oct. 17, 1978
[S. 682]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Port and Tanker Safety Act of 1978".

Port and Tanker Safety Act of 1978.
33 USC 1221 note.

SEC. 2. PORTS AND WATERWAYS SAFETY AND PROTECTION OF THE MARINE ENVIRONMENT.

The Ports and Waterways Safety Act of 1972 (Public Law 92-340, 86 Stat. 424) is amended to read as follows:

"SECTION 1. SHORT TITLE.

33 USC 1221 note.

"This Act may be cited as the 'Ports and Waterways Safety Act'.

Ports and Waterways Safety Act.
33 USC 1221 note.

"SEC. 2. STATEMENT OF POLICY.

33 USC 1221.

"The Congress finds and declares—

"(a) that navigation and vessel safety and protection of the marine environment are matters of major national importance;

"(b) that increased vessel traffic in the Nation's ports and waterways creates substantial hazard to life, property, and the marine environment;

"(c) that increased supervision of vessel and port operations is necessary in order to—

"(1) reduce the possibility of vessel or cargo loss, or damage to life, property, or the marine environment;

"(2) prevent damage to structures in, on, or immediately adjacent to the navigable waters of the United States or the resources within such waters;

"(3) insure that vessels operating in the navigable waters of the United States shall comply with all applicable standards and requirements for vessel construction, equipment, manning, and operational procedures; and

"(4) insure that the handling of dangerous articles and substances on the structures in, on, or immediately adjacent to the navigable waters of the United States is conducted in accordance with established standards and requirements; and

"(d) that advance planning is critical in determining proper and adequate protective measures for the Nation's ports and waterways and the marine environment, with continuing consultation with other Federal agencies, State representatives, affected users, and the general public, in the development and implementation of such measures.

"SEC. 3. DEFINITIONS.—As used in this Act, unless the context otherwise requires—

33 USC 1222.

"(1) 'Marine environment' means the navigable waters of the United States and the land and resources therein and thereunder; the waters and fishery resources of any area over which the United States asserts exclusive fishery management authority; the seabed and subsoil of the Outer Continental Shelf of the United States, the resources thereof and the waters superjacent thereto; and the recreational, economic, and scenic values of such waters and resources.

"(2) 'Secretary' means the Secretary of the department in which the Coast Guard is operating.

"(3) 'State' includes each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Canal Zone, Guam, American Samoa, the United States Virgin Islands, the Trust Territories of the Pacific Islands, the Commonwealth of the Northern Marianas, and any other commonwealth, territory, or possession of the United States.

"(4) 'United States', when used in geographical context, means all the States thereof.

33 USC 1223.

"SEC. 4. VESSEL OPERATING REQUIREMENTS.

"(a) IN GENERAL.—Subject to the requirements of section 5, the Secretary may—

"(1) in any port or place under the jurisdiction of the United States, in the navigable waters of the United States, or in any area covered by an international agreement negotiated pursuant to section 11, establish, operate, and maintain vessel traffic services, consisting of measures for controlling or supervising vessel traffic or for protecting navigation and the marine environment and may include, but need not be limited to one or more of the following: reporting and operating requirements, surveillance and communications systems, routing systems, and fairways;

"(2) require vessels which operate in an area of a vessel traffic service to utilize or comply with that service;

"(3) require vessels to install and use specified navigation equipment, communications equipment, electronic relative motion analyzer equipment, or any electronic or other device necessary to comply with a vessel traffic service or which is necessary in the interests of vessel safety: *Provided*, That the Secretary shall not require fishing vessels under 300 gross tons or recreational vessels 65 feet or less to possess or use the equipment or devices required by this subsection solely under the authority of this Act;

"(4) control vessel traffic in areas subject to the jurisdiction of the United States which the Secretary determines to be hazardous, or under conditions of reduced visibility, adverse weather, vessel congestion, or other hazardous circumstances by—

"(A) specifying times of entry, movement, or departure;

"(B) establishing vessel traffic routing schemes;

"(C) establishing vessel size, speed, draft limitations and vessel operating conditions; and

"(D) restricting operation, in any hazardous area or under hazardous conditions, to vessels which have particular operating characteristics or capabilities which he considers necessary for safe operation under the circumstances; and

"(5) require the receipt of prearrival messages from any vessel, destined for a port or place subject to the jurisdiction of the United States, in sufficient time to permit advance vessel traffic planning prior to port entry, which shall include any information which is not already a matter of record and which the Secretary determines necessary for the control of the vessel and the safety of the port or the marine environment.

"(b) SPECIAL POWERS.—The Secretary may order any vessel, in a port or place subject to the jurisdiction of the United States or in the navigable waters of the United States, to operate or anchor in a manner he directs if—

"(1) he has reasonable cause to believe such vessel does not comply with any regulation issued under this Act or any other applicable law or treaty;

"(2) he determines that such vessel does not satisfy the conditions for port entry set forth in section 9; or

"(3) by reason of weather, visibility, sea conditions, port congestion, other hazardous circumstances, or the condition of such vessel, he is satisfied that such directive is justified in the interest of safety.

"(c) PORT ACCESS ROUTES.—(1) In order to provide safe access routes for the movement of vessel traffic proceeding to or from ports or places subject to the jurisdiction of the United States, and subject to the requirements of paragraph (3) hereof, the Secretary shall designate necessary fairways and traffic separation schemes for vessels operating in the territorial sea of the United States and in high seas approaches, outside the territorial sea, to such ports or places. Such a designation shall recognize, within the designated area, the paramount right of navigation over all other uses. Designation.

"(2) No designation may be made by the Secretary pursuant to this subsection, if such a designation, as implemented, would deprive any person of the effective exercise of a right granted by a lease or permit executed or issued under other applicable provisions of law: *Provided*, That such right has become vested prior to the time of publication of the notice required by clause (A) of paragraph (3) hereof: *Provided further*, That the determination as to whether the designation would so deprive any such person shall be made by the Secretary, after consultation with the responsible official under whose authority the lease was executed or the permit issued.

"(3) Prior to making a designation pursuant to paragraph (1) hereof, and in accordance with the requirements of section 5, the Secretary shall—

"(A) within six months after date of enactment of this Act (and may, from time to time thereafter), undertake a study of the potential traffic density and the need for safe access routes for vessels in any area for which fairways or traffic separation schemes are proposed or which may otherwise be considered and shall publish notice of such undertaking in the Federal Register; Traffic density and safety needs study, publication in Federal Register.

"(B) in consultation with the Secretary of State, the Secretary of the Interior, the Secretary of Commerce, the Secretary of the Army, and the Governors of affected States, as their responsibilities may require, take into account all other uses of the area under consideration (including, as appropriate, the exploration for, or exploitation of, oil, gas, or other mineral resources, the construction or operation of deepwater ports or other structures on or above the seabed or subsoil of the submerged lands or the Outer Continental Shelf of the United States, the establishment or operation of marine or estuarine sanctuaries, and activities involving recreational or commercial fishing); and Consultation.

"(C) to the extent practicable, reconcile the need for safe access routes with the needs of all other reasonable uses of the area involved.

"(4) In carrying out his responsibilities under paragraph (3), the Secretary shall proceed expeditiously to complete any study undertaken. Thereafter, he shall promptly issue a notice of proposed rulemaking for the designation contemplated or shall have published in the Notice. Publication in Federal Register.

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Federal Register a notice that no designation is contemplated as a result of the study and the reason for such determination.

"(5) In connection with a designation made pursuant to this subsection, the Secretary—

Rules and regulations.

"(A) shall issue reasonable rules and regulations governing the use of such designated areas, including the applicability of rules 9 and 10 of the International Regulations for Preventing Collisions at Sea, 1972, relating to narrow channels and traffic separation schemes, respectively, in waters where such regulations apply;

28 UST 3459.

"(B) to the extent that he finds reasonable and necessary to effectuate the purposes of the designation, make the use of designated fairways and traffic separation schemes mandatory for specific types and sizes of vessels, foreign and domestic, operating in the territorial sea of the United States and for specific types and sizes of vessels of the United States operating on the high seas beyond the territorial sea of the United States;

Adjustment.

"(C) may, from time to time, as necessary, adjust the location or limits of designated fairways or traffic separation schemes, in order to accommodate the needs of other uses which cannot be reasonably accommodated otherwise: *Provided*, That such an adjustment will not, in the judgment of the Secretary, unacceptably adversely affect the purpose for which the existing designation was made and the need for which continues; and

Notice and cooperation.

"(D) shall, through appropriate channels, (i) notify cognizant international organizations of any designation, or adjustment thereof, and (ii) take action to seek the cooperation of foreign States in making it mandatory for vessels under their control to use any fairway or traffic separation scheme designated pursuant to this subsection in any area of the high seas, to the same extent as required by the Secretary for vessels of the United States.

"(a) EXCEPTION.—Except pursuant to international treaty, convention, or agreement, to which the United States is a party, this Act shall not apply to any foreign vessel that is not destined for, or departing from, a port or place subject to the jurisdiction of the United States and that is in—

"(1) innocent passage through the territorial sea of the United States, or

"(2) transit through the navigable waters of the United States which form a part of an international strait.

33 USC 1224.

"SEC. 5. CONSIDERATIONS BY SECRETARY.

"In carrying out his duties and responsibilities under section 4, the Secretary shall—

"(a) take into account all relevant factors concerning navigation and vessel safety and protection of the marine environment, including but not limited to—

"(1) the scope and degree of the risk or hazard involved;

"(2) vessel traffic characteristics and trends, including traffic volume, the sizes and types of vessels involved, potential interference with the flow of commercial traffic, the presence of any unusual cargoes, and other similar factors;

"(3) port and waterway configurations and variations in local conditions of geography, climate, and other similar factors;

"(4) the need for granting exemptions for the installation and use of equipment or devices for use with vessel traffic services for certain classes of small vessels, such as self-propelled fishing vessels and recreational vessels;

"(5) the proximity of fishing grounds, oil and gas drilling and production operations, or any other potential or actual conflicting activity;

"(6) environmental factors;

"(7) economic impact and effects;

"(8) existing vessel traffic services; and

"(9) local practices and customs, including voluntary arrangements and agreements within the maritime community; and

"(b) at the earliest possible time, consult with and receive and consider the views of representatives of the maritime community, ports and harbor authorities or associations, environmental groups, and other parties who may be affected by the proposed actions.

"SEC. 6. WATERFRONT SAFETY.

"(a) IN GENERAL.—The Secretary may take such action as is necessary to— 33 USC 1225.

"(1) prevent damage to, or the destruction of, any bridge or other structure on or in the navigable waters of the United States, or any land structure or shore area immediately adjacent to such waters; and

"(2) protect the navigable waters and the resources therein from harm resulting from vessel or structure damage, destruction, or loss. Such action may include, but need not be limited to—

"(A) establishing procedures, measures, and standards for the handling, loading, unloading, storage, stowage, and movement on the structure (including the emergency removal, control, and disposition) of explosives or other dangerous articles and substances, including oil or hazardous material as those terms are defined in section 4417a of the Revised Statutes, as amended;

"(B) prescribing minimum safety equipment requirements for the structure to assure adequate protection from fire, explosion, natural disaster, and other serious accidents or casualties; *Post*, p. 1480.

"(C) establishing water or waterfront safety zones, or other measures for limited, controlled, or conditional access and activity when necessary for the protection of any vessel, structure, waters, or shore area; and

"(D) establishing procedures for examination to assure compliance with the requirements prescribed under this section.

"(b) STATE LAW.—Nothing contained in this section, with respect to structures, prohibits a State or political subdivision thereof from prescribing higher safety equipment requirements or safety standards than those which may be prescribed by regulations hereunder.

"SEC. 7. PILOTAGE.

"The Secretary may require federally licensed pilots on any self-propelled vessel, foreign or domestic, engaged in the foreign trade, when operating in the navigable waters of the United States in areas and under circumstances where a pilot is not otherwise required by 33 USC 1226.

State law. Any such requirement shall be terminated when the State having jurisdiction over the area involved establishes a requirement for a State licensed pilot and has so notified the Secretary.

33 USC 1227.

"SEC. 8. INVESTIGATORY POWERS.

"(a) SECRETARY.—The Secretary may investigate any incident, accident, or act involving the loss or destruction of, or damage to, any structure subject to this Act, or which affects or may affect the safety or environmental quality of the ports, harbors, or navigable waters of the United States.

Subpenas.

"(b) POWERS.—In an investigation under this section, the Secretary may issue subpenas to require the attendance of witnesses and the production of documents or other evidence relating to such incident, accident, or act. If any person refuses to obey a subpena, the Secretary may request the Attorney General to invoke the aid of the appropriate district court of the United States to compel compliance with the subpena. Any district court of the United States may, in the case of refusal to obey a subpena, issue an order requiring compliance with the subpena, and failure to obey the order may be punished by the court as contempt. Witnesses may be paid fees for travel and attendance at rates not exceeding those allowed in a district court of the United States.

33 USC 1228.

"SEC. 9. CONDITIONS FOR ENTRY TO PORTS OF THE UNITED STATES.

"(a) IN GENERAL.—No vessel, subject to the provisions of section 4417a of the Revised Statutes, as amended, shall operate in the navigable waters of the United States or transfer cargo or residue in any port or place under the jurisdiction of the United States, if such vessel—

Post, p. 1480.

"(1) has a history of accidents, pollution incidents, or serious repair problems which, as determined by the Secretary, creates reason to believe that such vessel may be unsafe or may create a threat to the marine environment; or

"(2) fails to comply with any applicable regulation issued under this Act, under section 4417a of the Revised Statutes, as amended, or under any other applicable law or treaty; or

"(3) discharges oil or hazardous material in violation of any law of the United States or in a manner or quantities inconsistent with the provisions of any treaty to which the United States is a party; or

"(4) does not comply with any applicable vessel traffic service requirements; or

"(5) is manned by one or more officers who are licensed by a certificating state which the Secretary has determined, pursuant to section 4417a(11) of the Revised Statutes, as amended, does not have standards for licensing and certification of seafarers which are comparable to or more stringent than United States standards or international standards which are accepted by the United States; or

"(6) is not manned in compliance with manning levels as determined by the Secretary to be necessary to insure the safe navigation of the vessel; or

"(7) while underway, does not have at least one licensed deck officer on the navigation bridge who is capable of clearly understanding English.

"(b) EXCEPTIONS.—The Secretary may allow provisional entry of a vessel not in compliance with subsection (a), if the owner or operator

best copy available

of such vessel proves, to the satisfaction of the Secretary, that such vessel is not unsafe or a threat to the marine environment, and if such entry is necessary for the safety of the vessel or persons aboard. In addition, paragraphs (1), (2), (3), and (4) of subsection (a) shall not apply if the owner or operator of such vessel proves, to the satisfaction of the Secretary, that such vessel is no longer unsafe or a threat to the marine environment, and is no longer in violation of any applicable law, treaty, regulation or condition, as appropriate. Clauses (5) and (6) of subsection (a) shall become applicable eighteen months after the effective date of this section.

"SEC. 10. APPLICABILITY.

Authority delegations. 33 USC 1229.

"This Act shall not apply to the Panama Canal. The authority granted to the Secretary under sections 4, 5, 6, and 7 of this Act shall not be delegated with respect to the Saint Lawrence Seaway to any agency other than the Saint Lawrence Seaway Development Corporation. Any other authority granted the Secretary under this Act shall be delegated to the Saint Lawrence Seaway Development Corporation to the extent he determines such delegation is necessary for the proper operation of the Saint Lawrence Seaway.

"SEC. 11. INTERNATIONAL AGREEMENTS.

33 USC 1230.

"(a) TRANSMITTAL OF REGULATIONS.—The Secretary shall transmit, via the Secretary of State, to appropriate international bodies or forums, any regulations issued under this Act, for consideration as international standards.

"(b) AGREEMENTS.—The President is authorized and encouraged to—

"(1) enter into negotiations and conclude and execute agreements with neighboring nations, to establish compatible vessel standards and vessel traffic services, and to establish, operate, and maintain international vessel traffic services, in areas and under circumstances of mutual concern; and

"(2) enter into negotiations, through appropriate international bodies, and conclude and execute agreements to establish vessel traffic services in appropriate areas of the high seas.

"(c) OPERATIONS.—The Secretary, pursuant to any agreement negotiated under subsection (b) which is binding upon the United States in accordance with constitutional requirements, may—

"(1) require vessels in the vessel traffic service area to utilize or to comply with the vessel traffic service, including the carrying or installation of equipment and devices as necessary for the use of the service; and

"(2) waive, by order or regulation, the application of any United States law or regulation concerning the design, construction, operation, equipment, personnel qualifications, and manning standards for vessels operating in waters over which the United States exercises jurisdiction if such vessel is not en route to or from a United States port or place, and if vessels en route to or from a United States port or place are accorded equivalent waivers of laws and regulations of the neighboring nation, when operating in waters over which that nation exercises jurisdiction.

"SEC. 12. REGULATIONS.

33 USC 1231.

"(a) IN GENERAL.—In accordance with the provisions of section 553 of title 5, United States Code, as amended, the Secretary shall issue, and may from time to time amend or repeal, regulations necessary to implement this Act.

Consultation and comments.

"(b) PROCEDURES.—The Secretary, in the exercise of this regulatory authority, shall establish procedures for consulting with, and receiving and considering the views of all interested parties, including—

"(1) interested Federal departments and agencies,

"(2) officials of State and local governments,

"(3) representatives of the maritime community,

"(4) representatives of port and harbor authorities or associations,

"(5) representatives of environmental groups,

"(6) any other interested parties who are knowledgeable or experienced in dealing with problems involving vessel safety, port and waterways safety, and protection of the marine environment, and

"(7) advisory committees consisting of all interested segments of the public when the establishment of such committees is considered necessary because the issues involved are highly complex or controversial.

33 USC 1232.

"SEC. 13. ENFORCEMENT.

"(a) CIVIL PENALTY.—(1) Any person who is found by the Secretary, after notice and an opportunity for a hearing, to have violated this Act or a regulation issued hereunder shall be liable to the United States for a civil penalty, not to exceed $25,000 for each violation. Each day of a continuing violation shall constitute a separate violation. The amount of such civil penalty shall be assessed by the Secretary, or his designee, by written notice. In determining the amount of such penalty, the Secretary shall take into account the nature, circumstances, extent and gravity of the prohibited acts committed and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require.

"(2) The Secretary may compromise, modify, or remit, with or without conditions, any civil penalty which is subject to imposition or which has been imposed under this section.

"(3) If any person fails to pay an assessment of a civil penalty after it has become final, the Secretary may refer the matter to the Attorney General of the United States, for collection in any appropriate district court of the United States.

"(b) CRIMINAL PENALTY.—(1) Any person who willfully and knowingly violates this Act or any regulation issued hereunder shall be fined not more than $50,000 for each violation or imprisoned for not more than five years, or both.

"(2) Any person who, in the willfull and knowing violation of this Act or of any regulation issued hereunder, uses a dangerous weapon, or engages in conduct that causes bodily injury or fear of imminent bodily injury to any officer authorized to enforce the provisions of this Act or the regulations issued hereunder, shall, in lieu of the penalties prescribed in paragraph (1), be fined not more than $100,000, or imprisoned for not more than ten years, or both.

"(c) IN REM LIABILITY.—Any vessel subject to the provisions of this Act, which is used in violation of this Act, or any regulations issued hereunder, shall be liable in rem for any civil penalty assessed pursuant to subsection (a) and may be proceeded against in the United States district court for any district in which such vessel may be found.

"(d) INJUNCTION.—The United States district courts shall have

jurisdiction to restrain violations of this Act or of regulations issued hereunder, for cause shown.

"(e) DENIAL OF ENTRY.—Except as provided in section 9, the Secretary may, subject to recognized principles of international law, deny entry into the navigable waters of the United States or to any port or place under the jurisdiction of the United States to any vessel not in compliance with the provisions of this Act or the regulations issued hereunder.

"(f) WITHHOLDING OF CLEARANCE.—The Secretary of the Treasury shall withhold or revoke, at the request of the Secretary, the clearance, required by section 4197 of the Revised Statutes of the United States, as amended (46 U.S.C. 91), of any vessel, the owner or operator of which is subject to any of the penalties in this section. Clearance may be granted in such cases upon the filing of a bond or other surety satisfactory to the Secretary.". Surety, filing.

SEC. 3. STUDY OF MONITORING SYSTEMS. 33 USC 1224 note.

(a) CONTENT.—The Secretary, in consultation with the Secretary of Commerce and other appropriate departments or agencies of the Federal Government, shall study the desirability and feasibility of possible shore-station systems for monitoring vessels, including fishing vessels, within the Fishery Conservation Zone as defined in section 3(8) of the Fishery Conservation and Management Act of 1976. Each system examined shall be capable of reporting vessel position, identification, course, and speed using either a land, sea, or space monitoring technique. Consultation. 16 USC 1802.

(b) REPORT.—Within two years after the date of the enactment of this Act, the Secretary shall report his findings to the Congress. This report shall describe the capabilities, limitations, and cost effectiveness of each monitoring system examined from the standpoint of both the Federal Government and any vessel owners who would be affected by the imposition of each approach. The report shall also include the Secretary's recommendations for a single, comprehensive, cost effective shore-station system for monitoring vessels within the Fishery Conservation Zone. Transmittal to Congress. Recommendations.

(c) APPROPRIATIONS.—There are authorized to be appropriated to the Secretary for the purposes of this section, not to exceed $500,000 for the fiscal year ending September 30, 1979, and not to exceed $500,000 for the fiscal year ending September 30, 1980.

SEC. 4. IMPROVED PILOTAGE STANDARDS.

Section 4442 of the Revised Statutes of the United States (46 U.S.C. 214) is amended to read as follows: Federal steam vessel pilot's license, eligibility.

"SEC. 4442. (a) The Secretary of the department in which the Coast Guard is operating shall, in accordance with subsection (b) of this section, establish eligibility requirements for the issuance of a Federal license to pilot any steam vessel.

"(b) No person may be issued a Federal license to pilot any steam vessel unless he—

"(1) is at least twenty-one years of age;

"(2) is of sound health and has no physical limitations which would hinder or prevent the performance of a pilot's duties;

"(3) agrees to have a thorough physical examination each year while holding such license;

"(4) demonstrates, to the satisfaction of the Secretary, that he possesses the requisite general knowledge and skill to hold such license;

"(5) demonstrates proficiency in the use of electronic aids to navigation;

"(6) maintains adequate knowledge of the waters to be navigated and knowledge of regulations for the prevention of collisions in such waters;

"(7) has sufficient experience, as determined by the Secretary, to evidence his ability to handle any vessel of the type and size which he may be authorized to pilot; and

"(8) meets any other requirement which the Secretary considers reasonable and necessary.

"(c) No Federal license to pilot a steam vessel shall be valid for a term longer than five years. Upon expiration of any such license, the holder may reapply for an additional term and may be reissued a license if he meets the requirements specified under subsection (b) of this section.".

SEC. 5. VESSELS CARRYING CERTAIN CARGOES IN BULK.

Section 4417a of the Revised Statutes of the United States, as amended (46 U.S.C. 391a), is further amended to read as follows:

SEC. 4417a. (1) STATEMENT OF POLICY.—The Congress hereby finds and declares—

"(A) that the carriage by vessels of certain cargoes in bulk or in residue creates substantial hazards to life, property, the navigable waters of the United States (including the quality thereof) and the resources contained therein and to the adjoining land, including but not limited to fish, shellfish, and wildlife, marine and coastal ecosystems, and recreational and scenic values;

"(B) that existing standards for the design, construction, alteration, repair, maintenance, operation, equipping, personnel qualification, and manning of all such vessels which use any port or place subject to the jurisdiction of the United States or which operate in the navigable waters of the United States must be more stringent and comprehensive for the mitigation of the hazards to life, property, and the marine environment;

"(C) that existing international standards for inspection and enforcement are incomplete, that those international standards that are in existence are often left unenforced by some flag states, and that there is a need to prevent substandard vessels from using any port or place subject to the jurisdiction of the United States or from operating in the navigable waters of the United States, for the mitigation of the hazards to life, property, or the marine environment;

"(D) that standards developed through regulations shall incorporate the best available technology and shall be required unless clearly shown to create an undue economic impact which is not outweighed by the benefits to navigation and vessel safety or protection of the marine environment;

"(E) that standards developed through regulations shall not impede or interfere with the right of innocent passage or any legitimate use of the high seas in accordance with recognized principles of international law; and

"(F) that the United States should continue to actively support and encourage efforts to obtain international agreements concerning navigation and vessel safety and protection of the marine environment.

"(2) DEFINITIONS.—As used in this section, unless the context otherwise requires—

"(A) 'Discharge' includes, but is not limited to, any spilling, leaking, pumping, pouring, emitting, emptying, or dumping, however caused.

"(B) 'Foreign vessel' means any vessel of foreign registry or operated under the authority of any nation other than the United States.

"(C) 'Hazardous material' means any liquid material or substance which is—

"(i) flammable or combustible; or

"(ii) designated a hazardous substance under section 311(b) of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1321); or

"(iii) designated a hazardous material under section 104 of the Hazardous Material Transportation Act (49 U.S.C. 1803).

"(D) 'Marine environment' means the navigable waters of the United States and the land and resources therein and thereunder; the waters and fishery resources of any area over which the United States asserts exclusive fishery management authority; the seabed and subsoil of the Outer Continental Shelf of the United States, the resources thereof and the waters superjacent thereto; and the recreational, economic, and scenic values of such waters and resources.

"(E) 'Oil' includes oil of any kind or in any form, including, but not limited to, petroleum, fuel oil, sludge, oil refuse, and oil mixed with wastes other than dredged spoil.

"(F) 'Person' means any individual (whether or not a citizen or national of the United States), or any corporation, partnership, association, or other entity (whether or not organized or existing under the laws of any State), and any Federal, State, local, or foreign government or any entity of any such government.

"(G) 'Public vessel' means a vessel which—

"(i) is owned, or chartered by demise, and operated by the United States or any foreign government; and

"(ii) is not engaged in commercial service.

"(H) 'Commercial service' means all types of trade or business involving the transportation of goods or persons, excluding the service performed by combatant vessels.

"(I) 'Secretary' means the Secretary of the department in which the Coast Guard is operating.

"(J) 'State' includes each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Canal Zone, Guam, American Samoa, the United States Virgins Islands, the Trust Territories of the Pacific Islands, the Commonwealth of the Northern Marianas, and any other commonwealth, territory, or possession of the United States.

"(K) 'United States', when used in a geographical context, means all the States thereof.

"(L) 'Vessel of the United States' means any vessel documented or numbered under the laws of the United States.

"(M) 'Tanker' means a vessel constructed or adapted primarily to carry oil or hazardous materials in bulk in the cargo spaces.

"(N) 'Crude oil tanker' means a tanker engaged in the trade of carrying crude oil.

"(O) 'Product carrier' means a tanker engaged in the trade of carrying oil, other than crude oil.

"(P) 'Major conversion' means a conversion of an existing vessel which substantially alters the dimensions or carrying capacity of the vessel; or changes the type of vessel; or substantially prolongs its life; or which otherwise so alters the vessel that it is essentially a new vessel, as determined by the Secretary.

"(Q) 'New' means, with respect to various types of vessels subject to subsection (7), a vessel—

"(i) for which the building contract is placed after June 1, 1979; or

"(ii) in the absence of a building contract, the keel of which is laid, or which is at a similar stage of construction after January 1, 1980; or

"(iii) the delivery of which is after June 1, 1982; or

"(iv) which has undergone a major conversion, which is contracted for after June 1, 1979, or construction work of which is begun after January 1, 1980, or completed after June 1, 1982.

"(R) 'Existing' means, with respect to various types of vessels subject to subsection (7), a vessel which is not a new vessel.

"(S) 'Crude oil' means any liquid hydrocarbon mixture occurring naturally in the earth, whether or not treated to render it suitable for transportaion, and includes crude oil from which certain distillate fractions may have been removed, and crude oil to which certain distillate fractions may have been added.

"(3) APPLICABILITY.—Except as provided in subsections (4) and (5), this section shall apply to any vessel—

"(A) regardless of tonnage, size, or manner of propulsion;

"(B) whether self-propelled or not;

"(C) whether carrying freight or passengers for hire or not;

"(D) which is a vessel of the United States, or which operates on or enters the navigable waters of the United States, or which transfers oil or hazardous materials in any port or place subject to the jurisdiction of the United States; and

"(E) which carries oil or any hazardous materials in bulk as cargo or in residue.

Any such vessel shall be deemed to be a steam vessel for the purposes of title 52 of the Revised Statutes of the United States and shall be subject to the provisions thereof.

"(4) EXCEPTIONS.—This section shall not apply to—

"(A) any public vessel; or

"(B) any vessel of not more than 500 gross tons, documented in the service of oil exploitation, which is not a tanker and which would be subject to this section only because of the transfer of fuel from fuel supply tanks of such vessels to offshore drilling or production facilities, if the crew member in charge of such transfer is certified as a tankerman: *Provided*, That if the crew member in charge of the transfer of fuel holds a valid license as a master, mate, pilot, engineer or operator, it shall not be necessary for the crew member also to be certificated as a tankerman or have a tankerman endorsement on his license; or

"(C) cannery tenders, fishing tenders, and fishing vessels of not more than 500 gross tons, used in the salmon or crab fisheries

of the State of Oregon, Washington, and Alaska, when engaged exclusively in the fishing industry; or

"(D) any foreign vessel, not destined for, or departing from, a port or place subject to the jurisdiction of the United States, that is in innocent passage through the territorial sea of the United States or in transit through the navigable waters of the United States which form a part of an international strait.

"(5) FISH PROCESSING VESSELS.—This section shall not apply to vessels of not more than 5,000 gross tons used in the processing and assembling of fishery products in the fisheries of the States of Oregon, Washington, and Alaska, and such vessels shall be allowed to have on board flammable or combustible liquid cargo in bulk to the extent authorized, and upon such conditions as may be required, by regulations issued by the Secretary.

"(6) REGULATORY AUTHORITY.—

"(A) In accordance with the provisions of section 553 of title 5, United States Code, the Secretary shall issue, and may from time to time amend or repeal, regulations for the design, construction, alteration, repair, maintenance, operation, equipping, personnel qualification, or manning of vessels to which this section applies, as may be necessary for increased protection against hazards to life and property, for navigation and vessel safety, and for enhanced protection of the marine environment. The Secretary may issue differing regulations applicable to vessels engaged in the domestic trade, and may also issue regulations that exceed standards agreed upon internationally. The regulations issued by the Secretary under this subsection shall be in addition to any other regulations, issued under other provisions of law, that may apply to such vessels. The regulations issued by the Secretary under this subsection shall include, but need not be limited to, requirements relating to— Regulations.

"(i) superstructures, hulls, cargo holds or tanks, fittings, equipment, appliances, propulsion machinery, auxiliary machinery, and boilers;

"(ii) the handling or stowage of cargo, the manner of such handling or stowage of cargo, and the machinery and appliances used in such handling or stowage;

"(iii) equipment and appliances for lifesaving, fire protection, and prevention and mitigation of damage to the marine environment;

"(iv) the manning of such vessels and the duties, qualifications, and training of the officers and crew thereof, in accordance with subsections (9), (10), and (11);

"(v) improvements in vessel maneuvering and stopping ability and other features which reduce the possibility of collision, grounding, or other accidents;

"(vi) the reduction of cargo loss in the event of a collision, grounding, or other accident; and

"(vii) the reduction or elimination of discharges during ballasting, deballasting, tank cleaning, cargo handling, or other such activity.

"(B) In issuing regulations under paragraph (A), the Secretary shall give due consideration to the kinds and grades of cargo permitted to be on board such vessel.

Consultation and comments.

"(C) The Secretary, in the exercise of this regulatory authority, shall establish procedures for consulting with, and receiving and considering the views of—

"(i) interested Federal departments and agencies,

"(ii) officials of State and local governments,

"(iii) representatives of the maritime community,

"(iv) representatives of port and harbor authorities or associations,

"(v) representatives of environmental groups, and

"(vi) any other interested parties who are knowledgeable or experienced in dealing with problems involving vessel safety, port and waterways safety, and protection of the marine environment.

Self-propelled vessels.

"(7) MINIMUM STANDARDS.—In issuing regulations pursuant to subsection (6), the Secretary shall require that any self-propelled vessel shall, as a minimum—

"(A) if a new crude oil tanker of 20,000 deadweight tons or above, be equipped with—

"(i) segregated ballast tanks which are protectively located;

"(ii) a crude oil washing system; and

"(iii) a cargo tank protection system, consisting of a fixed deck froth system and a fixed inert gas system;

"(B) if a new product carrier of 30,000 deadweight tons or above, be equipped with segregated ballast tanks which are protectively located;

"(C) if a new product carrier of 20,000 deadweight tons or above, be equipped with a cargo tank protection system consisting of a fixed deck froth system and a fixed inert gas system or, if such a product carrier carries dedicated products which are incompatible with such a cargo tank protection system, an alternate protection system as authorized by the Secretary;

"(D) if an existing crude oil tanker of 40,000 deadweight tons or above, not later than June 1, 1981, be equipped with—

"(i) segregated ballast tanks; or

"(ii) a crude oil washing system:

Provided, That compliance may be delayed for vessels operating with dedicated clean ballast tanks if of 70,000 deadweight tons or above until June 1, 1983, or until June 1, 1985, for all other such vessels;

"(E) if an existing crude oil tanker of 20,000 deadweight tons or above but less than 40,000 deadweight tons, fifteen years or older, not later than January 1, 1986, or the date on which it reaches fifteen years of age, whichever is later, be equipped with segregated ballast tanks or a crude oil washing system;

"(F) if an existing crude oil tanker of 20,000 deadweight tons or above, not later than June 1, 1983, be equipped with an inert gas system: *Provided*, That for a crude oil tanker of less than 40,000 deadweight tons not fitted with high capacity tank washing machines, the Secretary may grant an exemption, if the vessel's owner can clearly show that compliance would be unreasonable and impracticable due to the vessel's design characteristics: *Provided further*, That an existing crude oil tanker of 70,000 deadweight tons or above must be in compliance herewith not later than June 1, 1981;

"(G) if an existing product carrier of 40,000 deadweight tons or above, not later than June 1, 1981, be equipped with segregated ballast tanks or, in lieu thereof, may operate with dedicated clean ballast tasks;

"(H) if an existing product carrier of 20,000 deadweight tons or above but less than 40,000 deadweight tons, fifteen years or older, not later than January 1, 1986, or the date on which it reaches fifteen years of age, whichever is later, be equipped with segregated ballast tanks or may operate with dedicated clean ballast tanks;

"(I) if an existing product carrier of 40,000 deadweight tons or above, or an existing product carrier of 20,000 deadweight tons or above but less than 40,000 deadweight tons, which is fitted with high-capacity tank washing machines, not later than June 1, 1983, be equipped with an inert gas system: *Provided*, That an existing product carrier of 70,000 deadweight tons or above must be in compliance herewith not later than June 1, 1981,

"(J) if of 10,000 gross tons or above, not later than June 1, 1979, be equipped with—

"(i) a dual radar system, with short-range and with long-range capabilities and each with true-north features;

"(ii) an electronic relative motion analyzer, which is at least functionally equivalent to such equipment complying with specifications established by the United States Maritime Administration;

"(iii) an electronic position fixing device;

"(iv) adequate communications equipment;

"(v) a sonic depth finder;

"(vi) a gyrocompass; and

"(vii) up-to-date charts:

Provided, That the effective date of compliance with the requirement of clause (ii) shall be July 1, 1982 or such earlier date as agreed to internationally and accepted by the United States;

"(K) if a new tanker of 10,000 gross tons or above, be equipped with—

"(i) two remote steering gear control systems operable separately from the navigating bridge;

"(ii) main steering gear control in the steering gear compartment;

"(iii) means of communications and rudder angle indicators on the navigating bridge, remote steering gear control station, and the steering gear compartment;

"(iv) two or more identical and adequate power units for the main steering gear;

"(v) an alternative and adequate power supply, either from an emergency source of electrical power or from another independent source of power located in the steering gear compartment; and

"(vi) means of automatic starting and stopping of power units with attendant alarms at all steering stations;

"(L) if an existing tanker of 10,000 gross tons or above, not later than June 1, 1981, be equipped with—

"(i) two remote steering gear control systems operable separately from the navigating bridge;

"(ii) main steering gear control in the steering gear compartment; and

"(iii) means of communications and rudder angle indicators on the navigating bridge, remote steering gear control station, and the steering gear compartment; and

"(M) if a crude oil tanker, which is engaged in the transfer of oil from an offshore oil exploitation or production facility on the Outer Continental Shelf of the United States, not later than June 1, 1980, be equipped with segregated ballast tanks, or may operate with dedicated clean ballast tanks or special ballast arrangements: *Provided*, That vessels subject to this paragraph shall comply fully with the other minimum standards of this section, where applicable; and

"(N) in accordance with relevant international agreements to which the United States is a party, exempt vessels from the minimum requirements established in this subsection for segregated ballast, dedicated clean ballast, or crude oil washing if he determines that shore-based reception facilities are a preferred method of handling dirty ballast, and that adequate facilities are readily available.

After the effective date of this Act, the installation of segregated ballast tanks, a crude oil washing system, or an inert gas system, required by regulations issued hereunder, on a vessel which is entitled to engage in coastwise trade in accordance with section 27 of the Merchant Marine Act of 1920 (46 U.S.C. 883) shall be effected within the United States, its territories (not including trust territories), or its possessions, and vessels which fail to comply with this requirement shall thereafter not have the right to engage in the coastwise trade.

"(8) EVIDENCE OF COMPLIANCE.—

Inspection certificate.

"(A) No vessel of the United States to which this section applies shall have on board oil or hazardous materials in bulk as cargo or in residue until it has a Certificate of Inspection, issued under the provisions of title 52 of the Revised Statutes of the United States, and such certificate has been endorsed to indicate that the vessel is in compliance with the regulations issued under this section. If any such vessel is found not to be in compliance, the Secretary shall notify the owner or agent of the vessel and indicate how the vessel may be brought into compliance.

Noncompliance, notification.

Compliance certificate.

"(B) No foreign vessel to which this section applies shall operate on or enter the navigable waters of the United States, or transfer oil or hazardous materials in any port or place under the jurisdiction of the United States, unless such vessel has been issued a Certificate of Compliance by the Secretary. The Secretary shall not issue such certificate until the vessel has been examined by the Secretary and found to be in compliance with the provisions of this section and the regulations issued hereunder. If such vessel is found not to be in compliance, the Secretary shall notify the owner or agent of the vessel and indicate how the vessel may be brought into compliance. The Secretary may allow provisional entry for the purposes of conducting examinations.

Examination.

Noncompliance, notification.

"(C) The Secretary may accept, in whole or in part, a certificate, endorsement, or document issued by any foreign nation

pursuant to any treaty, convention, or other international agreement to which the United States is a party, as a basis for issuance of a Certificate of Compliance.

"(D) No vessel may carry any kind or grade of oil or hazardous materials in bulk as cargo or in residue unless its certificate is endorsed to allow such carriage. No such certificate may allow any vessel to carry any material prohibited by section 4472(3) of the Revised Statutes, as amended (46 U.S.C. 170).

"(E) A certificate issued under this section shall be valid for a period not to exceed twenty-four months and may be renewed as specified by the Secretary. The Secretary may issue a temporary certificate under this section in appropriate circumstances; except that the temporary certificate shall be valid for not more than thirty days. Any certificate shall be revoked or suspended if the Secretary finds that the vessel involved no longer complies with the conditions upon which the certificate was issued.

"(9) PERSONNEL AND MANNING STANDARDS FOR VESSELS OF THE UNITED STATES.—The Secretary shall prescribe standards for the manning of any vessel of the United States subject to the provisions of this section and the duties, qualifications, and training of the officers and crew thereof, including, but not limited to, standards relating to—

"(A) instruction in vessel and cargo handling and vessel navigation under normal operating conditions in coastal and confined waters and on the high seas;

"(B) instruction in vessel and cargo handling and vessel navigation in emergency situations and under accidental or potential accident conditions;

"(C) license qualifications by specific type and size of vessels;

"(D) qualification for licenses by use of simulators for the practice or demonstration of marine-oriented skills;

"(E) minimum health and physical fitness criteria for various grades of licenses and certificates: *Provided*, That the Secretary shall waive the applicability of such criteria to any individual holding a license or certificate in effect on the effective date of this subsection, including subsequent renewals thereof: *Provided further*, That, when such a waiver is granted, the Secretary may prescribe conditions or limitations to the license or certificate, or the renewal thereof, as he may find reasonable and necessary for the safety of any vessel on which the individual may be employed; Waiver, conditions or limitations.

"(F) periodic retraining, and special training for upgrading positions, changing vessel type or size, or assuming new responsibilities; and

"(G) determination of licenses and certificates, conditions of licensing or certification and period of licensing or certification by reference to experience, amount of training completed, and regular performance testing.

"(10) TANKERMAN REQUIREMENTS.— Certification.

"(A) Any vessel of the United States having on board oil or hazardous materials in bulk as cargo or in residue shall have a specified number of the crew certificated as tankerman, as may be required by the Secretary, and such requirement shall be so noted on the Certificate of Inspection issued to the vessel.

"(B) Any foreign vessel having on board oil or hazardous materials in bulk as cargo or in residue shall have a special

number of personnel certificated as tankerman, or equivalent, as may be required by the Secretary, when the vessel transfers oil or hazardous materials in any port or place subject to the jurisdiction of the United States; and such requirement shall be noted in applicable terminal operating procedures. No transfer operations may take place unless the crew member in charge is capable of clearly understanding instructions in English.

English language comprehension requirement.

"(C) The Secretary shall prescribe procedures, standards, and qualifications for the issuance of certificates or endorsements as tankerman, stating the kinds of oil or hazardous materials that can be handled with safety to the vessel and the marine environment.

"(D) Certificates or endorsements as tankerman shall be subject to suspension and revocation on the same grounds and in the same manner as provided for under the provisions of section 4450 of the Revised Statutes of the United States, as amended (46 U.S.C. 239).

Verification, regulations and procedures.

"(11) PERSONNEL AND MANNING STANDARDS FOR FOREIGN VESSELS.—The Secretary shall issue regulations and procedures for the verification of manning, training, qualification, and watchkeeping standards promulgated by the certificating state of any foreign vessel which operates on or enters the navigable waters of the United States, and transfers oil or hazardous materials in any port or place under the jurisdiction of the United States. Such regulations and procedures shall include, but need not be limited to, provisions relating to—

"(A) the receipt through the Inter-Governmental Maritime Consultative Organization or from the certificating state of the English text of laws, decrees, orders, regulations, specimen licenses and certificates, and other pertinent documents pertaining to manning, training, qualification, and watchkeeping of seafarers;

Public availability.

"(B) the publication and distribution of, or otherwise making available to the public and appropriate enforcement personnel, copies of materials received as provided for in paragraph (A);

"(C) the evaluation, at intervals of not less than five years, of each foreign state's system for licensing and certification of seafarers, including study course content and duration, examination requirements and prerequisites for licensing and certification, and related controls;

"(D) determination, after the evaluation required by clause (C), of whether the foreign state, whose system for licensing and certification of seafarers was evaluated, has standards which are comparable to or more stringent than United States standards or international standards which are accepted by the United States;

Publication in Federal Register.

"(E) publication in the Federal Register of each determination made pursuant to clause (D), together with a brief explanation of the reasons therefor; and

"(F) manning levels, based on vessel size and type of operation, when operating in the navigable waters of the United States, or in the safety zone in connection with utilization of deepwater ports.

"(12) MODIFICATIONS.—The Secretary may modify any regulation or standard prescribed under this section to conform to the provisions of an international treaty, convention, agreement, or an amendment thereto, which is ratified by the United States.

"(13) PROHIBITED ACTS.—

"(A) It is unlawful for any person—

"(i) to violate any provision of this section or any regulation issued under this section; or

"(ii) to refuse to permit any officer, authorized by the Secretary to enforce the provisions of this section, to board any vessel or to enter any shore area, place, or premises, under such person's control for purposes of inspection under this section; or

"(iii) to refuse to obey any lawful directive issued under this section.

"(B) It is unlawful for any vessel subject to the provision of this section—

"(i) to operate in or on the navigable waters of the United States, or to use any port or place subject to the jurisdiction of the United States, while not in compliance with any provision of this section or any regulation issued hereunder; or

"(ii) to fail to comply with any lawful directive issued pursuant to this section.

"(14) ENFORCEMENT.—

"(A) CIVIL PENALTY.—

"(i) Any person who is found by the Secretary, after notice and an opportunity for a hearing, to have violated this section or a regulation issued hereunder shall be liable to the United States for a civil penalty, not to exceed $25,000 for each violation. Each day of a continuing violation shall constitute a separate violation. The amount of such civil penalty shall be assessed by the Secretary, or his designee, by written notice. In determining the amount of such penalty, the Secretary shall take into account the nature, circumstances, extent, and gravity of the prohibited acts committed and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require.

"(ii) The Secretary may compromise, modify, or remit, with or without conditions, any civil penalty which is subject to imposition or which has been imposed under this section.

"(iii) If any person fails to pay an assessment of a civil penalty after it has become final, the Secretary may refer the matter to the Attorney General of the United States, for collection in any appropriate district court of the United States.

"(B) CRIMINAL PENALTY.—

"(i) Any person who willfully and knowingly violates this section or any regulation issued hereunder shall be fined not more than $50,000 for each violation or imprisoned for not more than five years, or both.

"(ii) Any person who, in the willful and knowing violation of this section or any regulation issued hereunder, uses

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a dangerous weapon, or engages in conduct that causes bodily injury or fear of imminent bodily injury to any officer authorized to enforce the provisions of this Act or the regulations issued hereunder, shall, in lieu of the penalties prescribed in subparagraph (i), be fined not more than $100,000, or imprisoned for not more than ten years, or both.

"(C) IN REM LIABILITY.—Any vessel subject to the provisions of this section, which is used in violation of this section or any regulation issued hereunder, shall be liable in rem for any civil penalty assessed pursuant to paragraph (A) and may be proceeded against in the United States district court for any district in which such vessel may be found.

"(D) INJUNCTION.—The United States district courts shall have jurisdiction to restrain violations of this section or of regulations issued hereunder, for cause shown.

"(E) WITHHOLDING CLEARANCE.—The Secretary of the Treasury shall withhold or revoke, at the request of the Secretary, the clearance, required by section 4197 of the Revised Statutes of the United States, as amended (46 U.S.C. 91), of any vessel, the owner or operator of which is subject to any of the penalties in this subsection. Clearance may be granted in such cases upon the filing of a bond or other surety satisfactory to the Secretary.

Surety, filing.

"(15) INSPECTION.—

"(A) NATIONAL PROGRAM.—

Establishment.

"(i) The Secretary shall establish a national program for inspection of any vessel subject to this section. Each such vessel shall be inspected or examined at least once each year. Any such vessel over ten years of age shall undergo a special and detailed inspection of structural strength and hull integrity, as specified by the Secretary.

Contract.

"(ii) An inspection or examination may be conducted by any officer authorized by the Secretary. If any such officer is not reasonably available, the Secretary may contract for the conduct of inspections or examinations in the United States and in foreign countries. Under such contract, an inspector may be authorized to act on behalf of the Secretary, except that no such inspector may issue a Certificate of Inspection or Certificate of Compliance, but may issue a temporary certificate.

Fees, regulations.

"(iii) Notwithstanding the provisions of section 1 of the Act of June 19, 1886, as amended (46 U.S.C. 331), the Secretary shall prescribe by regulation reasonable fees for any inspection or examination conducted pursuant to this section outside the geographical limits of the United States, or which, when involving a foreign vessel, is conducted pursuant to the contract authority provided for in subparagraph (ii) of this paragraph. The owner or operator of any vessel inspected or examined by the Secretary or his designee shall be liable for such fees. Amounts received as fees shall be credited to the General Treasury.

"(B) VESSEL DOCUMENTS.—Any vessel subject to the provisions of this section shall have on board such documents as the Secre-

tary deems necessary for inspection or enforcement under this section, including, but not limited to, documents indicating—

"(i) the kind, grade, and approximate quantities of any cargo on board;

"(ii) the shipper and consignee of the cargo;

"(iii) the points of origin and destination of the vessel; and

"(iv) the name of an agent in the United States authorized to accept legal process.

"(16) MARINE SAFETY INFORMATION SYSTEM.— Establishment.

"(A) IN GENERAL.—The Secretary shall establish a marine safety information system which shall contain information with regard to any vessel subject to this section which operates on or enters the navigable waters of the United States, or which transfers oil or any hazardous materials in any port or place under the jurisdiction of the United States. In acquiring such information, the Secretary shall make full use of publicly available information. The Secretary may, by regulation, require any such vessel to furnish such data or other information as he deems necessary, in order to carry out the purposes of this subsection, including, but not limited to— Vessel data or information furnishing, regulation.

"(i) the names of any person with an ownership interest in such vessel;

"(ii) details of compliance with the financial responsibility requirements of applicable statutes or regulations;

"(iii) registration information, including all changes in the name of the vessel;

"(iv) the history of accidents or serious repair problems of the vessel; and

"(v) a record of all inspections or examinations of a vessel conducted under subsection (15).

"(B) INTERAGENCY COOPERATION.—The head of each department or agency of the Federal Government shall, upon a written request from the Secretary, furnish any available information which the Secretary deems necessary to confirm the information received pursuant to paragraph (A).

"(17) LIGHTERING.—

"(A) IN GENERAL.—After the effective date of regulations issued by the Secretary pursuant to paragraph (B), no vessel may transfer oil or hazardous materials in a port or place subject to the jurisdiction of the United States, if the cargo has been transferred from another vessel in the navigable waters of the United States or in the marine environment unless—

"(i) the transfer was conducted in accordance with regulations issued by the Secretary, and

"(ii) both the delivering and receiving vessels had, on board at the time of transfer, a Certificate of Inspection or a Certificate of Compliance, as would have been required under subsection (8), had the transfer taken place in a port or place subject to the jurisdiction of the United States.

"(B) REGULATIONS.—The Secretary shall issue, and may from time to time, amend or repeal regulations for the transferring of Regulations.

oil or hazardous materials in the navigable waters of the United States or in the marine environment when such oil or hazardous material is destined for a port or place subject to the jurisdiction of the United States. Such regulations shall include, but need not be limited to—

"(i) minimum safe operating conditions, including sea state, wave height, weather, proximity to channels or shipping lanes, and other similar factors;

"(ii) prevention of spills;

"(iii) equipment for responding to any spill;

"(iv) prevention of any unreasonable interference with navigation or other reasonable uses of the high seas, as such uses are defined by treaty, convention, or customary international law;

"(v) establishment of lightering zones; and

"(vi) requirements for communication and prearrival messages.

"(18) TANK WASHINGS.—

"(A) No vessel may transfer a cargo in a port or place subject to the jurisdiction of the United States, if the vessel has arrived after having discharged tank washings containing oil or hazardous materials in violation of any law of the United States or in a manner or quantities inconsistent with the provisions of any treaty to which the United States is a party, in preparation for loading that cargo in any port or place subject to the jurisdiction of the United States.

Control and supervisory measures, establishment.

"(B) The Secretary shall establish effective control and supervisory measures to implement the provisions of this subsection.

Submittal to Congress.

"(19) REPORT.—Within six months after the end of each calendar year, the Secretary shall submit to the Congress—

"(A) a report on the administration of this section during the preceding calendar year;

"(B) a summary of inspection and enforcement activities during the preceding calendar year; and

"(C) recommendations to the Congress for any additional legislative authority necessary to improve navigation and vessel safety and protection of the marine environment.".

SEC. 6. SAVINGS CLAUSE.

33 USC 1221 note.

Ante, p. 1471.

(a) Regulations previously issued under statutory provisions which are amended by section 2 of this Act shall continue in effect as though issued under the authority of the Ports and Waterways Safety Act of 1972, as amended by this Act, until expressly abrogated, modified, or amended by the Secretary. Any proceeding under title I of Public Law 92-340 for a violation which occurred before the effective date of this Act may be initiated or continued to conclusion as though such public law had not been amended by this Act.

33 USC 1221.

46 USC 391a note.

Ante, p. 1480.

(b) Regulations previously issued under statutory provisions which are amended by section 5 of this Act shall continue in effect as though issued under the authority of section 4417a of the Revised Statutes of the United States, as amended by this Act, until expressly abrogated, modified, or amended by the Secretary. Any proceeding under the provisions of section 4417a of the Revised Statutes of the United

States, as it existed prior to amendment by this Act, for a violation which occurred before the effective date of this Act, may be initiated or continued to conclusion as though such section had not been amended by this Act.

Ante, p. 1480.

(c) If a provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the remainder of the Act and the application of such provision to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

33 USC 1221 note.

Approved October 17, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-1384, Pt. I accompanying H.R. 13311 (Comm. on Merchant Marine and Fisheries), No. 95-1384, Pt. II (Comm. on International Relations).

SENATE REPORT No. 95-176 (Comm. on Commerce, Science, and Transportation).

CONGRESSIONAL RECORD:

Vol. 123 (1977): May 25, 26, considered and passed Senate.

Vol. 124 (1978): Sept. 12, H.R. 13311 considered and passed House; proceedings vacated and S. 682, amended, passed in lieu.

Sept.30, Senate concurred in House amendment with an amendment.

Oct. 3, House concurred in Senate amendment.

Public Law 95-475
95th Congress

An Act

Oct. 18, 1978
[H.R. 6503]

To amend the Intercoastal Shipping Act, 1933, and for other purposes.

Intercoastal Shipping Act, 1933, amendment.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Intercoastal Shipping Act, 1933 (46 U.S.C. 843), is amended by inserting "(1)" immediately before "The term"; and by adding at the end thereof the following:

"General increase in rates."

"(2) The term 'general increase in rates' means any change in rates, fares, or charges which will (A) result in an increase in not less than 50 per centum of the total rate, fare, or charge items in the tariffs per trade of any common carrier by water in intercoastal commerce; and (B) directly result in an increase in gross revenues of such carrier for the particular trade of not less than 3 per centum.

"General decrease in rates."

"(3) The term 'general decrease in rates' means any change in rates, fares, or charges which will (A) result in a decrease in not less than 50 per centum of the total rate, fare, or charge items in the tariffs per trade of any common carrier by water in intercoastal commerce; and (B) directly result in a decrease in gross revenue of such carrier for the particular trade of not less than 3 per centum.".

SEC. 2. The second paragraph of section 2 of the Intercoastal Shipping Act, 1933 (46 U.S.C. 844), is amended—

(1) by striking out "*Provided*," and inserting in lieu thereof the following: "*Provided*, That no general increase in rates or general decrease in rates shall take effect before the close of the sixtieth day after the day on which such general increase in rates or general decrease in rates is posted and filed with the Commission: *Provided further*,"; and

(2) by inserting "or sixty days" immediately after "thirty days" in the second proviso thereto.

SEC. 3. Section 3 of the Intercoastal Shipping Act, 1933 (46 U.S.C. 845), is amended—

(1) by inserting "(a)" immediately before "Whenever" at the beginning of the first paragraph thereof;

(2) by amending subsection (a) (as so designated by paragraph (1)) by—

(A) striking out "complaint" each place it appears therein and inserting in lieu thereof "protest";

(B) striking out the colon after "practice" and inserting in lieu thereof a period; and

(C) striking out the proviso and inserting in lieu thereof the following:

Hearing. Publication in Federal Register.

"The Commission shall not order a hearing pursuant to this subsection, on its own motion or upon protest, unless the Commission publishes in the Federal Register the reasons, in detail, why it considers such a hearing to be necessary and the specific issues to be resolved by such hearing.

Guidelines.

For purposes of facilitating the administration of this Act, the Commission shall, within one year after the effective date of this sentence, by regulation prescribe guidelines for the determination of what constitutes a just and reasonable rate of return or profit for common carriers by water in intercoastal commerce. After the regula-

tions referred to in the preceding sentence are initially prescribed, the Commission shall from time to time thereafter review such regulations and make such amendments thereto as may be appropriate.";

(3) by inserting "(b)" immediately before "Pending" at the beginning of the second paragraph thereof;

(4) by amending subsection (b) (as so designated by paragraph (3)) by—

(A) inserting ", except as provided in subsection (c)," immediately before "from time to time" in the first sentence thereof;

(B) striking out "four months" and inserting "one hundred and eighty days" in lieu thereof in the first sentence thereof;

(C) striking out "and decide the same as speedily as possible" at the end of the last sentence thereof; and

(D) inserting at the end thereof the following new sentences:

"Notwithstanding any other provision of law, the Commission shall complete such hearing under this section within sixty days; the initial decision resulting therefrom, if any, shall be submitted in writing to the Commission within one hundred and twenty days; and the Commission shall issue a final decision thereon within one hundred and eighty days. The sixty-day, one hundred and twenty-day, and one hundred and eighty-day periods referred to in the preceding sentence shall each begin on the day on which such rate, fare, charge, classification, regulation, or practice first takes effect or, in the case of suspended matter, shall begin on the day on which such matter would have otherwise gone into effect. However, the Commission may, in its discretion and for good cause, extend the time period or suspension period for a period of not more than sixty days, if three or more Commissioners agree to such an extension. If such extension is granted, the Commission shall report in writing to Congress within ten days from the granting of such extension together with—

"(A) a full explanation of the reasons for the extension,

"(B) the issues involved in the matter before the Commission,

"(C) the names of the personnel of the Commission working on such matter, and

"(D) a record of how each Commissioner voted on the extension.

If a final decision is not issued by the Commission within the one hundred and eighty day period, or by the end of any extension period, such rate, fare, charge, classification, regulation, or practice shall, for purposes of this section, thereafter be deemed to be just and reasonable. However, if the Commission finds that it is unable to issue a final decision within such period or within such extension due to delays which are directly attributable to the proponent of such rate, charge, classification, regulation, or practice, the Commission may disapprove such rate, fare, charge, classification, regulation, or practice, upon the expiration of such period or extension. This provision shall not preclude any remedies available pursuant to section 22 of the Shipping Act of 1916. Notwithstanding any other provision of law, in providing a hearing for the purposes of this Act, it shall be adequate to provide an opportunity for the submission of all evidence in written form, followed by an opportunity for briefs, written statements, or conferences of the parties. Any such conference may be chaired by an individual Commissioner, an administrative law judge, or any designated employee of the Commission.";

46 USC 821.

(5) by adding at the end thereof the following new subsection:

"(c)(1) Notwithstanding any other provision of this section, the Commission may not suspend—

"(A) any tariff schedule or service which extends to any additional port, actual service at the rates of the carrier involved for similar service already in effect at the nearest port of call to such additional port; or

"(B) the operation of that portion of any changed rate, fare, or charge representing an increase or decrease of 5 per centum or less and filed as part of a general increase in rates or a general decrease in rates, except that the aggregate of such changes exempt from suspension shall not exceed 5 per centum during any period of twelve consecutive months; nothing in this subparagraph shall be construed as establishing a presumption that any increase or decrease in excess of 5 per centum is not just and reasonable, or that any increase or decrease less than 5 per centum is just and reasonable.

Refunds.

"(2) If the Commission finds, as a result of any proceeding under this section with respect to a general increase in rates, that any unsuspended portion of the increase is not just and reasonable, the Commission shall order the carrier involved to refund to any person who was charged on the basis of such general increase an amount equal to that portion thereof found to be not just and reasonable plus interest on such amount computed on the basis of the average of the prime rate charged by major banks, as published by the Board of Governors of the Federal Reserve System, during the period to which the refund applies.".

SEC. 4. Section 4 of the Intercoastal Shipping Act, 1933 (46 U.S.C. 845a) is amended by changing the period at the end thereof to a colon and inserting thereafter the following: "*Provided further*, That upon such finding of unjustness or unreasonableness in a proceeding instituted by a complainant pursuant to the provisions of section 22 of the Shipping Act, 1916, the Commission shall direct full reparation to the complainant of the difference between the charge collected and the just and reasonable rate, fare, or charge, plus interest on such amount computed on the basis of the average of the prime rate charged by major banks, as published by the Board of Governors of the Federal Reserve System, during the period to which the reparation applies.".

46 USC 821.

Effective date.
46 USC 843 note.

SEC. 5. This Act shall take effect ninety days after enactment.

Approved October 18, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-474 (Comm. on Merchant Marine and Fisheries).
SENATE REPORT No. 95-1240 (Comm. on Commerce, Science, and Transportation).
CONGRESSIONAL RECORD, Vol. 124 (1978):
May 8, considered and passed House.
Oct. 3, considered and passed Senate.

Public Law 95-476
95th Congress

An Act

To amend title 38, United States Code, to improve the housing benefits programs of the Veterans' Administration, to authorize the Administrator of Veterans' Affairs to pay an allowance to a State for expenses incurred in the burial of eligible veterans in cemeteries owned and operated by or for such State solely for the interment of veterans, to authorize a program of grant assistance to States for the establishment, expansion, and improvement of State veterans' cemeteries, and for other purposes.

Oct. 18, 1978
[H.R. 12028]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Veterans' Housing Benefits Act of 1978".

Veterans' Housing Benefits Act of 1978.
38 USC 101 note.

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—VETERANS' HOUSING BENEFITS

ASSISTANCE FOR SPECIALLY ADAPTED HOUSING FOR CERTAIN DISABLED VETERANS

SEC. 101. Section 802 is amended by striking out "$25,000" and inserting in lieu thereof "$30,000". 38 USC 802.

BASIC ENTITLEMENT FOR HOME, CONDOMINIUM, AND MOBILE HOME LOANS

SEC. 102. (a) Subsection (a) of section 1802 is amended— 38 USC 1802.

(1) in the first sentence, by striking out "World War II or the Korean conflict" both places it appears and inserting in lieu thereof "World War II, the Korean conflict, or the Vietnam era"; and

(2) in the second sentence, by striking out "Entitlement" and all that follows through "World War II, has" and inserting in lieu thereof "In the case of any veteran who served on active duty during two or more of the periods specified in the preceding sentence, or in section 1818 of this title, for which eligibility for the benefits under this chapter may be granted, entitlement derived from service during the most recent such period (1) shall cancel any unused entitlement derived from service during any earlier such period, and (2) shall be reduced by the amount by which entitlement from service during any earlier such period has". 38 USC 1818.

(b) Subsection (b) of such section is amended— 38 USC 1802.

(1) in the first sentence, by inserting "(A)" after "(1)", redesignating clause (2) as subclause (B), and redesignating clause (3) as clause (2); and

(2) in the second sentence, by striking out "clauses (1) and (2) above" and inserting in lieu thereof "clause (1) of the preceding sentence".

BASIC LOAN GUARANTY PROGRAM

38 USC 1803.

SEC. 103. (a) Subsection (a)(1) of section 1803 is amended by striking out "World War II or Korean conflict veteran" and inserting in lieu thereof "veteran eligible for benefits under this chapter".

(b) Subsection (c) of such section is amended—

(1) by adding at the end of paragraph (1) the following new sentence: "In establishing rates of interest under this paragraph for one or more of the purposes described in clauses (4) and (7) of section 1810(a) of this title, the Administrator may establish a rate or rates higher than the rate specified for other purposes under such section, but any such rate may not exceed such rate as the Administrator may from time to time find the loan market demands for loans for such purposes."; and

38 USC 1810.

(2) by striking out "section 1810(a)(4)" in paragraph (3)(B) and inserting in lieu thereof "clauses (4) and (7) of section 1810 (a) of this title".

PURPOSES FOR WHICH HOME LOANS MAY BE GUARANTEED

38 USC 1810.

SEC. 104. Section 1810 is amended—

(1) by striking out clause (6) in subsection (a) and inserting in lieu thereof the following new clause:

"(6) To purchase a one-family residential unit in a condominium housing development or project, if such development or project is approved by the Administrator under criteria which the Administrator shall prescribe in regulations.";

(2) by inserting after such clause the following new clause:

"(7) To improve a dwelling or farm residence owned by the veteran and occupied by the veteran as the veteran's home through the installation of a solar heating system, a solar heating and cooling system, or a combined solar heating and cooling system or through the application of a residential energy conservation measure."; and

Definitions.

(3) by adding at the end of such section the following new subsection:

"(d) For the purposes of subsection (a)(7) of this section:

"(1) The term 'solar heating' has the meaning given such term in section 3(1) of the Solar Heating and Cooling Demonstration Act of 1974 (42 U.S.C. 5502(1)) and, in addition, includes a passive system based on conductive, convective, or radiant energy transfer.

"(2) The terms 'solar heating and cooling' and 'combined solar heating and cooling' have the meaning given such terms in section 3(2) of the Solar Heating and Cooling Demonstration Act of 1974 (42 U.S.C. 5502(2)) and, in addition, include a passive system based on conductive, convective, or radiant energy transfer.

"(3) The term 'passive system' includes window and skylight glazing, thermal floors, walls, and roofs, movable insulation panels (when in conjunction with glazing), portions of a residential structure that serve as solar furnaces so as to add heat to the structure, double-pane window insulation, and such other energy-related components as are determined by the Administrator to enhance the natural transfer of energy for the purpose of heating or heating and cooling a residence.

"(4) The term 'residential energy conservation measure' means—

"(A) caulking and weatherstripping of all exterior doors and windows;

"(B) furnace efficiency modifications limited to—

"(i) replacement burners, boilers, or furnaces designed to reduce the firing rate or to achieve a reduction in the amount of fuel consumed as a result of increased combustion efficiency,

"(ii) devices for modifying flue openings which will increase the efficiency of the heating system, and

"(iii) electrical or mechanical furnace ignition systems which replace standing gas pilot lights;

"(C) clock thermostats;

"(D) ceiling, attic, wall, and floor insulation;

"(E) water heater insulation;

"(F) storm windows and doors;

"(G) heat pumps; and

"(H) such other energy conservation measures as the Administrator may identify for the purposes of this clause.".

AMOUNT OF VETERANS' ADMINISTRATION LOAN GUARANTIES AND DIRECT LOANS FOR PURCHASE OR CONSTRUCTION OF HOMES

SEC. 105. (a) Section 1810(c) is amended by striking out "$17,500" and inserting in lieu thereof "$25,000". 38 USC 1810.

(b)(1) Subparagraph (A) of section 1811(d)(2) is amended by striking out "$17,500" both places it appears and inserting in lieu thereof "$25,000". 38 USC 1811.

(2) Subparagraph (B) of such section is amended by striking out "specified by the Administrator" and all that follows in such subparagraph and inserting in lieu thereof "that bears the same ratio to $33,000 as the amount of guaranty to which the veteran is entitled under such section at the time the loan is made bears to $17,500. The amount of the guaranty entitlement under section 1810(c) of this title of any veteran who is granted a loan under this section, or who before the date of the enactment of the Veterans' Housing Benefits Act of 1978 was granted a loan under this section, shall be charged with the amount that bears the same ratio to $17,500 as the amount of the loan bears to $33,000.".

ELIGIBILITY FOR HOME LOANS FOR VETERANS WHO SERVED AFTER JANUARY 31, 1955

SEC. 106. (a) Section 1818 is amended— 38 USC 1818.

(1) by inserting "and prior to August 5, 1964, or after May 7, 1975," in subsection (a) after "January 31, 1955,";

(2) by striking out "active duty after such date" in subsection (a)(3) and inserting in lieu thereof "such active duty";

(3) by inserting "the provisions of section 1802(a) of this title and" in subsection (a) after "subject to"; 38 USC 1802.

(4) by striking out subsection (b) and redesignating subsection (c) as subsection (b); and

(5) by striking out **"Veterans who serve after January 31, 1955"** in the catchline and inserting in lieu thereof **"Service after January 31, 1955, and prior to August 5, 1964, or after May 7, 1975"**.

38 USC 1818.

(b) The item relating to section 1818 in the table of sections at the beginning of chapter 37 is amended to read as follows:

"1818. Service after January 31, 1955, and prior to August 5, 1964, or after May 7, 1975.".

MOBILE HOME AND MOBILE HOME LOT LOANS

38 USC 1819.

SEC. 107. (a) Subsections (a) and (b) of section 1819 are amended to read as follows:

"(a)(1) Notwithstanding any other provision of this chapter, any loan to a veteran eligible for the benefits of this chapter, if made pursuant to the provisions of this section, may be guaranteed if such loan is for one of the following purposes:

"(A) To purchase a lot on which to place a mobile home already owned by the veteran.

"(B) To purchase a single-wide mobile home.

"(C) To purchase a single-wide mobile home and a lot on which to place such home.

"(D) To purchase a double-wide mobile home.

"(E) To purchase a double-wide mobile home and a lot on which to place such home.

"(2) A loan for any of the purposes described in paragraph (1) of this subsection may include an amount determined by the Administrator to be appropriate to cover the cost of necessary preparation of a lot already owned or to be acquired by the veteran, including the costs of installing utility connections and sanitary facilities, of paving, and of constructing a suitable pad for the mobile home.

"(3) Any loan made for the purposes described in clause (C) or (E) of paragraph (1) of this subsection shall be considered as part of one loan. The transaction may be evidenced by a single loan instrument or by separate loan instruments for (A) that portion of the loan which finances the purchase of the mobile home, and (B) that portion of the loan which finances the purchase of the lot and the necessary preparation of such lot.

"(b)(1) Use of entitlement under this section for the purchase of a mobile home unit shall preclude the use of remaining entitlement for the purchase of an additional mobile home unit until the unit which secured the loan has been disposed of by the veteran or has been destroyed by fire or other natural hazard.

"(2) The Administrator shall restore entitlement to all loan guaranty benefits under this chapter for the veteran when the conditions prescribed in section 1802(b) of this title have been met.".

38 USC 1802.

(b)(1) Paragraph (1) of subsection (c) of such section is amended to read as follows:

"(1) Loans for any of the purposes authorized by subsection (a) of this section shall be submitted to the Administrator for approval prior to the closing of the loan, except that the Administrator may exempt any lender of a class listed in section 1802(d) of this title from compliance with such prior approval requirement if the Administrator determines that the experience of such lender or class of lenders in mobile home financing warrants such exemption.".

(2) Paragraph (3) of such subsection is amended by striking out the first sentence and inserting in lieu thereof the following new sentences: "The Administrator's guaranty may not exceed the lesser of 50 per centum of the loan amount or the maximum loan guaranty entitlement available, not to exceed $17,500. Payment of a claim under

such guaranty shall be made only after liquidation of the security for the loan and the filing of an accounting with the Administrator.".

(3) Such subsection is further amended by adding at the end thereof the following new paragraph:

"(4) The amount of guaranty entitlement available to a veteran under this section shall not be more than $17,500, less the amount of any such entitlement as may have been used under this section. Use of entitlement under section 1810 or 1811 of this title shall reduce entitlement available for use under this section to the same extent that entitlement available under such section 1810 is reduced below $17,500.". 38 USC 1810, 1811.

(c) Subsection (d) of such section is amended to read as follows: 38 USC 1802.

"(d)(1) The maturity of any loan guaranteed under this section shall not be more than—

"(A) fifteen years and thirty-two days, in the case of a loan for the purchase of—

"(i) a lot;

"(ii) a single-wide mobile home; or

"(iii) a single-wide mobile home and a lot; or

"(B) twenty years and thirty-two days, in the case of a loan for the purchase of—

"(i) a double-wide mobile home; or

"(ii) a double-wide mobile home and a lot.

"(2) Nothing in paragraph (1) of this subsection shall preclude the Administrator, under regulations which the Administrator shall prescribe, from consenting to necessary advances for the protection of the security or the holder's lien, to a reasonable extension of the term of such loan, or to a reasonable reamortization of such loan.".

(d) Clause (4) of subsection (e) of such section is amended to read as follows:

"(4) the amount of the loan to be paid by the veteran is not in excess of the amount determined to be reasonable, based upon—

"(A) with respect to any portion of the loan to purchase a new mobile home, such cost factors as the Administrator considers proper to take into account;

"(B) with respect to any portion of the loan to purchase a used mobile home, the reasonable value of the property, as determined by the Administrator;

"(C) with respect to any portion of the loan to purchase a lot, the reasonable value of such lot, as determined by the Administrator; and

"(D) with respect to any portion of the loan to cover the cost of necessary site preparation, an appropriate amount, as determined by the Administrator;".

(e) Such section is further amended by striking out subsection (g) and by redesignating subsections (h), (i), (j), (k), (l), (m), and (n) as subsections (g), (h), (i), (j), (k), (l), and (m), respectively.

(f) Subsection (h) of such section (as redesignated by subsection (e) of this section) is amended (1) by inserting "(1)" before "No loan", (2) by striking out the third sentence of such subsection, and (3) by adding at the end thereof the following new paragraph:

"(2)(A) For the purpose of assuring compliance with the standards prescribed under paragraph (1) of this subsection, the Administrator shall from time to time inspect the manufacturing process of manufacturers of mobile homes sold to veterans utilizing assistance under this chapter. For the purpose stated in the preceding sentence and for Inspection.

the additional purpose of monitoring safety factors involved in the installation of mobile homes purchased through the utilization of assistance under this chapter, the Administrator shall from time to time conduct random onsite inspections of mobile homes purchased through the utilization of such assistance.

Delegation to HUD Secretary.

"(B) The Administrator may, with the agreement of the Secretary of Housing and Urban Development, delegate to the Secretary of Housing and Urban Development the duty of the Administrator under subparagraph (A) of this paragraph to inspect the manufacturing process of manufacturers of mobile homes, but any such delegation shall be subject to an agreement that the Secretary of Housing and Urban Development, upon the request of the Administrator, shall promptly provide the Administrator with the complete results of any inspection made by the Secretary pursuant to such delegation. The Administrator shall have the right to withdraw any delegation under the preceding sentence at any time and in whole or in part.".

(g)(1) Subsections (i), (j), and (l) of such section (as redesignated by subsection (e) of this section) are amended by striking out "subsection (i)" each place it appears and inserting in lieu thereof "subsection (h)".

(2) Subsection (l) of such section (as redesignated by subsection (e) of this section) is amended by striking out "subsection (j)" and inserting in lieu thereof "subsection (i)".

EFFECTIVE DATES

38 USC 1802 note.

SEC. 108. (a) Except as provided in subsection (b) of this section, the amendments made by this title shall take effect on October 1, 1978.

(b) The amendment made by clause (1) of section 104 of this title shall take effect on July 1, 1979, except with respect to the authority to prescribe regulations for the implementation of such amendment, which shall be effective on the date of the enactment of this Act.

TITLE II—MISCELLANEOUS PROVISIONS

EDUCATION LOAN PROGRAM ELIGIBILITY AND REPORTS ON DEFAULT EXPERIENCE

38 USC 1798.

SEC. 201. Section 1798 is amended—

(1) by inserting "and the criteria established under subsection (g) of this section" before the period at the end of subsection (a);

(2) in subsection (c)—

(A) by striking out "and" at the end of clause (1);

(B) by striking out the period at the end of clause (2) and inserting in lieu thereof a semicolon and "and"; and

(C) by inserting after clause (2) the following new clause:

"(3) satisfies any criteria established under subsection (g) of this section.";

(3) in subsection (d)(1)—

(A) by inserting "(A)" before "over"; and

(B) by inserting a comma and "or (B) over such shorter period as the Administrator may have prescribed under subsection (g) of this section" after "such date";

(4) by striking out paragraph (3) of subsection (e) and inserting in lieu thereof the following:

Report to congressional committees.

"(3) The Administrator shall submit to the appropriate committees of the Congress not later than December 31 of each year a report on the

current results of the continuing review required by subsection (g)(1) of this section to be made regarding the default experience with respect to loans made under this section and any steps being taken to reduce default rates on such loans. Such report shall include in maximum feasible detail—

"(A) data regarding the cumulative default experience, and the default experience during the preceding fiscal year, with respect to such loans;

"(B) data regarding the default experience and default rate at each educational institution (i) with respect to loans made under this section in connection with accelerated payments under section 1682A of this title, and (ii) with respect to other loans made under this section; and 38 USC 1682A.

"(C) comparisons of the collective default experience and default rates with respect to such loans at all such institutions to the default experience and default rates with respect to such loans at each such institution.";

(5) by striking out "1701(1)" in subsection (f)(3) and inserting in lieu thereof "1701(a)(1)"; and

(6) by adding after subsection (f) the following new subsection:

"(g)(1) The Administrator shall conduct, on a continuing basis, a review of the default experience with respect to loans made under this section.

"(2)(A) To ensure that loans are made under this section on the basis of financial need directly related to the costs of education, the Administrator may, by regulation, establish (i) criteria for eligibility for such loans, in addition to the criteria and requirements prescribed by subsections (c) and (d) of this section, in order to limit eligibility for such loans to eligible veterans and eligible persons attending educational institutions with relatively high rates of tuition and fees, and (ii) criteria under which the Administrator may prescribe a repayment perod for certain types of loans made under this section that is shorter than the repayment period otherwise applicable under subsection (d)(1)(A) of this section. Criteria established by the Administrator under clause (i) of the preceding sentence may include a minimum amount of tuition and fees that an eligible veteran or eligible person may pay in order to be eligible for such a loan (except that any such criterion shall not apply with respect to a loan for which the veteran is eligible as a result of an extension of the period of eligibility of such veteran for loans under this section provided for by section 1662(a)(2) of this title). Regulations. 38 USC 1662.

"(B) In prescribing regulations under subparagraph (A) of this paragraph, the Administrator shall take into consideration information developed in the course of the review required by paragraph (1) of this subsection.

"(C) Regulations may be prescribed under subparagraph (A) of this paragraph only after opportunity has been afforded for public comment thereon.".

BURIAL BENEFITS

SEC. 202. (a) Subsection (b) of section 903 is amended to read as follows: 38 USC 903.

"(b) In addition to the benefits provided for under section 902 of this title and subsection (a) of this section, in the case of a veteran who is eligible for a burial allowance under such section 902, or under 38 USC 902.

such subsection, and who is not buried in a national cemetery or other cemetery under the jurisdiction of the United States—

"(1) if such veteran is buried (without charge for the cost of a plot or interment) in a cemetery, or a section of a cemetery, that (A) is used solely for the interment of persons eligible for burial in a national cemetery, and (B) is owned by a State or by an agency or political subdivision of a State, the Administrator shall pay to such State, agency, or political subdivision the sum of $150 as a plot or interment allowance for such veteran; and

"(2) if such veteran is buried in a cemetery, or a section of a cemetery, other than as described in clause (1) of this subsection, the Administrator shall pay a sum not exceeding $150 as a plot or interment allowance to such person as the Administrator prescribes, except that if any part of the plot or interment costs of a burial to which this clause applies has been paid or assumed by a State, an agency or political subdivision of a State, or a former employer of the deceased veteran, no claim for such allowance shall be allowed for more than the difference between the entire amount of the expenses incurred and the amount paid or assumed by any or all of the foregoing entities.".

(b)(1) Chapter 24 is amended by adding at the end thereof the following new section:

38 USC 1008.

"§ 1008. Aid to States for establishment, expansion, and improvement of veterans' cemeteries

Grants.

"(a)(1) Subject to subsection (b) of this section, the Administrator may make grants to any State to assist such State in establishing, expanding, or improving veterans' cemeteries owned by such State. Any such grant may be made only upon submission of an application to the Administrator in such form and manner, and containing such information, as the Administrator may require.

Appropriation authorization.

"(2) There is authorized to be appropriated $5,000,000 for fiscal year 1980 and for each of the four succeeding fiscal years for the purpose of making grants under paragraph (1) of this subsection.

"(b) Grants under this section shall be subject to the following conditions:

"(1) No State may receive grants under this section in any fiscal year in a total amount in excess of 20 per centum of the total amount appropriated for such grants for such fiscal year.

"(2) The amount of any grant under this section may not exceed an amount equal to 50 per centum of the total of the value of the land to be acquired or dedicated for the cemetery and the cost of the improvements to be made on such land, with the remaining amount to be contributed by the State receiving the grant.

"(3) If at the time of a grant under this section the State receiving the grant dedicates for the purposes of the cemetery involved land already owned by the State, the value of such land may be considered in determining the amount of the State's contribution under paragraph (2) of this subsection, but the value of such land may not be used for more than an amount equal to 50 per centum of the amount of such contribution and may not be used as part of such State's contribution for any subsequent grant under this section.

"(4) If a State that has received a grant under this section to establish, expand, or improve a veterans' cemetery ceases to own such cemetery, ceases to operate such cemetery as a veterans' cem-

etery, or uses any part of the funds provided through such grant for a purpose other than that for which the grant was made, the United States shall be entitled to recover from such State the total of all grants made under this section to such State in connection with such cemetery.

"(c)(1) In addition to the conditions specified in subsection (b) of this section, any grant to a State under this section to assist such State in establishing a veterans' cemetery shall be made on the condition that such cemetery shall conform to such standards and guidelines relating to site selection, planning, and construction as the Administrator may by regulation prescribe. In prescribing regulations for the purposes of the preceding sentence, the Administrator shall take into account the standards and guidelines for site selection, planning, and construction that are applicable to cemeteries in the National Cemetery System, including those provided in subsections (b), (c), and (d) of section 1004 of this title. 38 USC 1004.

"(2) The Administrator may by regulation prescribe such additional terms and conditions for grants under this section as the Administrator considers appropriate.

"(d) Sums appropriated under subsection (a) of this section shall remain available until the end of the second fiscal year following the fiscal year for which they are appropriated. If all funds from a grant under this section have not been utilized by a State for the purpose for which the grant was made within three years after such grant is made, the United States shall be entitled to recover any such unused grant funds from such State.".

(2) The table of sections at the beginning of chapter 24 is amended by adding at the end thereof the following new item:

"1008. Aid to States for establishment, expansion, and improvement of veterans' cemeteries.".

HEADSTONES AND MARKERS

SEC. 203. (a) Section 906 is amended by adding at the end thereof the following new subsections: 38 USC 906.

"(c) A headstone or marker furnished under subsection (a) or (b) of this section may be of any material, including but not limited to marble, granite, bronze, or slate, requested by the person entitled to request such headstone or marker if the material requested is determined by the Administrator (1) to be cost effective, and (2) in a case in which the headstone or marker is to be placed in a national cemetery, to be aesthetically compatible with the area of the cemetery in which it is to be placed.

"(d) In lieu of furnishing a headstone or marker under subsection (a)(2) or (b) of this section, the Administrator, in the Administrator's discretion, having due regard for the circumstances in each case, may reimburse the person entitled to request such headstone or marker for the actual costs incurred by or on behalf of such person in acquiring a non-Government headstone or marker for placement in any cemetery other than a national cemetery in connection with the burial or memorialization of the deceased individual. Reimbursement under the preceding sentence may be made only upon the request of the person entitled to request the headstone or marker and may not be made in an amount in excess of the average actual cost, as determined by the Administrator, of headstones and markers furnished under subsections (a) and (b) of this section.".

38 USC 902.

(b) Section 902 is amended—

(1) by striking out "in his discretion" in subsection (a) and inserting in lieu thereof "in the Adminstrator's discretion";

(2) by striking out "as he prescribes" in subsection (a) and inserting in lieu thereof "as the Administrator prescribes"; and

(3) by striking out "his death" in subsection (b) and inserting in lieu thereof "the death of such veteran".

TECHNICAL AMENDMENTS TO LAW NAMING A CERTAIN VETERANS' ADMINISTRATION HOSPITAL

Ante, p. 518.

SEC. 204. Section 203 of Public Law 95-353 is amended—

(1) by striking out "designed" in the first sentence and inserting in lieu thereof "designated"; and

(2) by inserting "map, record," in the second sentence after "document,".

EFFECTIVE DATES

38 USC 903 note.

SEC. 205. (a) Except as provided in subsection (b), the amendments made by this title shall take effect on the date of the enactment of this Act.

(b) The amendment made by section 202(a) of this title shall take effect on October 1, 1978.

Approved October 18, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1332 (Comm. on Veterans' Affairs).
SENATE REPORT No. 95-1055 (Comm. on Veterans' Affairs).
CONGRESSIONAL RECORD, Vol. 124 (1978):
July 17, considered and passed House.
Aug. 7, considered and passed Senate, amended.
Sept. 28, House agreed to Senate amendents with amendments.
Oct. 2, Senate concurred in House amendments.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 42:
Oct. 18, Presidential statement.

Public Law 95-477
95th Congress

An Act

To authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1979, and for other purposes.

Oct. 18, 1978
[H.R. 11302]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Environmental Research, Development, and Demonstration Authorization Act of 1979".

Environmental Research, Development, and Demonstration Authorization Act of 1979.

PROGRAM AUTHORIZATIONS

SEC. 2. (a) There are authorized to be appropriated to the Environmental Protection Agency for environmental research, development, and demonstration activities for the fiscal year 1979 for the following activities:

(1) $82,925,000 for water quality activities authorized under the Federal Water Pollution Control Act of which— 33 USC 1251 note.

(A) $24,001,000 is for the Health and Ecological Effects program;

(B) $11,875,000 is for the Industrial Processes program;

(C) $5,539,000 is for the Monitoring and Technical Support program;

(D) $12,000,000 for the Public Sector Activities program; and

(E) $29,510,000 is for the Energy program.

(2) $11,998,000 for activities authorized under the Federal Insecticide, Fungicide, and Rodenticide Act of which— 7 USC 136 note.

(A) $10,798,000 is for the Health and Ecological Effects program; and

(B) $1,200,000 is for the Industrial Processes program.

(3) $20,150,000 for water supply activities authorized under the Safe Drinking Water Act in the Public Sector Activities program, including groundwater research. 42 USC 300f note.

(4) $12,782,000 for toxic substance control activities authorized under the Toxic Substances Control Act of which— 15 USC 2601 note.

(A) $8,862,000 is for the Health and Ecological Effects program;

(B) $720,000 is for the Industrial Processes program; and

(C) $3,200,000 is for the Monitoring and Technical Support program.

(5) $2,500,000 for radiation activities authorized under the Public Health Act, in the Health and Ecological Effects program. 42 USC 201 note.

(6) $159,952,000 for air quality activities authorized under the Clean Air Act of which— 42 USC 1857 note.

(A) $37,414,000 is for the Health and Ecological Effects program;

(B) $6,000,000 is for the Industrial Processes program;

(C) $16,283,000 is for the Monitoring and Technical Support program; and

(D) $100,255,000 is for the Energy program.

(7) $11,912,000 for solid waste activities authorized under the Resource Conservation and Recovery Act in the Public Sector Activities program.

42 USC 6901 note.

(8) $4,000,000 for noise control activities authorized under the Noise Control Act of which—

42 USC 4901 note.

(A) $2,000,000 is for the Health and Ecological Effects program; and

(B) $2,000,000 is for the Industrial Processes program.

(9) $36,285,000 for intermedia activities of which—

(A) $7,500,000 is for the Health and Ecological Effects program;

(B) $25,000 is for the Public Sector Activities program;

(C) $14,900,000 is for the Monitoring and Technical Support program; and

(D) $13,860,000 is for the Anticipatory Research program.

(b) There is authorized to be appropriated to the Environmental Protection Agency, Office of Research and Development, for the fiscal year 1979, for program management and support, $23,060,000.

Transfer of funds, restriction.

(c) No funds may be transferred from any particular category listed in subsection (a) or (b) to any other category or categories listed in either such subsection if the total of the funds so transferred from that particular category would exceed 10 per centum thereof, and no funds may be transferred to any particular category listed in subsection (a) or (b) from any other category or categories listed in either such subsection if the total of the funds so transferred to that particular category would exceed 10 per centum thereof, unless—

(1) a period of thirty legislative days has passed after the Administrator of the Environmental Protection Agency or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate a written report containing a full and complete statement concerning the nature of the transfer involved and the reason therefor; or

(2) each committee of the House of Representatives and the Senate having jurisdiction over the subject matter involved, before the expiration of such period, has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

Pollution control technologies demonstrations. 42 USC 4363a.

(d)(1) The Administrator shall continue to be responsible for conducting and shall continue to conduct full scale demonstrations of energy-related pollution control technologies as necessary in his judgment to fulfill the provisions of the Clean Air Act as amended, the Federal Water Pollution Control Act as amended, and other pertinent pollution control statutes.

33 USC 1251 note.

(2) Energy-related environmental protection projects which were authorized to be administered by the Environmental Protection Agency in fiscal year 1978 shall not be transferred administratively or through budget amendment to the Department of Energy, nor shall funding for future years for the Environmental Protection Agency for such projects under this Act be reduced as a result of any present or proposed administrative or budget transfer. No action shall be taken through administrative or budgetary means to diminish the ability of the Environmental Protection Agency to initiate such projects.

SPECIAL AUTHORIZATIONS

SEC. 3. (a) (1) There is authorized to be appropriated to the Environmental Protection Agency for the fiscal year 1979, for grants for long-term environmental research programs at universities or other such research institutions, $7,000,000. Grants.

(2) These grants are for the purpose of developing continuing centers for environmental research and training in the engineering, physical, natural, health, and social sciences.

(b) There is authorized to be appropriated to the Environmental Protection Agency for the fiscal year 1979, to implement the study authorized in section 403(d) of the Clean Air Act Amendments of 1977 (Public Law 95-95), $3,000,000. 42 USC 7401 note.

(c) (1) There is authorized to be appropriated to the Environmental Protection Agency for the fiscal year 1979, $1,000,000, and for the fiscal year 1980, $1,000,000, for a study and report, to be conducted outside the Federal Government, on (A) coordination of the Federal Government's efforts in environmental research, development, and demonstration, and (B) the application of the results of such efforts to environmental problems. Study and report. 42 USC 4366 note.

(2) The study shall be conducted under a contract let by the Administrator. Such contract shall (A) be developed in consultation with an interagency advisory committee whose membership includes representatives of the Office of Management and Budget and of all agencies conducting or using the results of environmental research, and (B) provide for an oversight and review role by the National Academy of Sciences. Contract.

(3) The study shall conclude with a report to be submitted to the President, the Administrator, and the Congress within two years after the date of the enactment of this Act. The report shall include recommendations for action by the President, the Administrator, other agencies, or the Congress, as may be appropriate. Submittal to President, Administrator, and Congress.

(4) The report shall not be subject to any prior clearance or review (except as specifically provided in this subsection), nor shall any such prior clearance be a part of the contract let under paragraph (2).

(d) (1) There is authorized to be appropriated to the Environmental Protection Agency, for grants to qualified citizens groups in States and regions, $3,000,000. Grants. 42 USC 4368.

(2) Grants under this subsection may be made for the purpose of supporting and encouraging participation by qualified citizens groups in determining how scientific, technological, and social trends and changes affect the future environment and quality of life of an area, and for setting goals and identifying measures for improvement.

(3) The term "qualified citizens group" shall mean a nonprofit organization of citizens having an area based focus, which is not single-issue oriented and which can demonstrate a prior record of interest and involvement in goal-setting and research concerned with improving the quality of life, including plans to identify, protect and enhance significant natural and cultural resources and the environment. "Qualified citizens group."

(4) A citizens group shall be eligible for assistance only if certified by the Governor in consultation with the State legislature as a bona-fide organization entitled to receive Federal assistance to pursue the aims of this program. The group shall further demonstrate its capacity to employ usefully the funds for the purposes of this program and its broad-based representative nature. Eligible group certification.

Annual recertification and reapplication.

(5) After an initial application for assistance under this section has been approved, the Administrator may make grants on an annual basis, on condition that the governor recertify the group and that the applicant submits to the Administrator annually—

(A) an evaluation of the progress made during the previous year in meeting the objectives for which the grant was made;

(B) a description of any changes in the objectives of the activities; and

(C) a description of the proposed activities for the succeeding one year period.

(6) A grant made under this program shall not exceed 75 per centum of the estimated cost of the project or program for which the grant is made, and no group shall receive more than $50,000 in any one year.

(7) No financial assistance provided under this subsection shall be used to support lobbying or litigation by any recipient group.

OTHER AUTHORIZATIONS

SEC. 4. There is authorized to be appropriated to the Secretary of Commerce for the fiscal year 1979, for use by the National Bureau of Standards—

(1) $3,000,000 for research in the area of environmental measurement sciences; and

(2) $2,000,000 to carry out activities authorized in section 5002 of the Resource Conservation and Recovery Act of 1976 (Public Law 94-580).

42 USC 6952.

MISCELLANEOUS REPORTS

Availability to congressional committees.
42 USC 4369.

SEC. 5. (a) All reports to or by the Administrator relevant to the Agency's program of research, development, and demonstration shall promptly be made available to the Committee on Science and Technology of the House of Representatives and the Committee on Environment and Public Works of the Senate, unless otherwise prohibited by law.

(b) The Administrator shall keep the Committee on Science and Technology of the House of Representatives and the Committee on Environment and Public Works of the Senate fully and currently informed with respect to matters falling within or related to the jurisdiction of the committees.

42 USC 5910.

(c) The reports provided for in section 11 of Public Law 93-577 shall be made available to the public for comment, and to the heads of affected agencies for comment and, in the case of recommendations for action, for response.

(d) For the purpose of assisting the Department of Energy in planning and assigning priorities in research development and demonstration activities related to environmental control technologies, the Administrator shall actively make available to the Department all information on research activities and results of research programs of the Environmental Protection Agency.

STAFF MANAGEMENT

EPA employees, appointments for educational programs.
42 USC 4361c.

SEC. 6. (a)(1) The Administrator is authorized to select and appoint up to 75 full-time permanent staff members in the Office of Research and Development to pursue full-time educational programs for the purpose of (A) securing an advanced degree or (B) securing

academic training, for the purpose of making a career change in order to better carry out the Agency's research mission.

(2) The Administrator shall select and appoint staff members for these assignments according to rules and criteria promulgated by him. The Agency may continue to pay the salary and benefits of the appointees as well as reasonable and appropriate relocation expenses and tuition. Salaries and expenses.

(3) The term of each appointment shall be for up to one year, with a single renewal of up to one year in appropriate cases at the discretion of the Administrator. Term.

(4) Staff members appointed to this program shall not count against any Agency personnel ceiling during the term of their appointment.

(b)(1) The Administrator is authorized to appoint up to 25 Post-doctoral Research Fellows in accordance with the provisions of section 213.3102(aa) of title 5 of the Code of Federal Regulations.

(2) Persons holding these appointments shall not count against any personnel ceiling of the Agency.

(c)(1) The Administrator is authorized and encouraged to utilize research associates from outside the Federal Government in conducting the research, development, and demonstration programs of the Agency.

(2) These persons shall be selected and shall serve according to rules and criteria promulgated by the Administrator.

(d) For all programs in this section, the Administrator shall place special emphasis on providing opportunities for education and training of women and minority groups.

REUSE OF WASTEWATERS

SEC. 7. (a)(1) Section 5(a)(2) of the Environmental Research, Development, and Demonstration Authorization Act of 1978 (Public Law 95-155) is amended by inserting "agricultural use or" immediately after "reuse of wastewaters for drinking and". 42 USC 300j-3a.

(2) This subsection shall become effective October 1, 1978. 42 USC 300j-3a note.

(b)(1) Not later than nine months after the date of enactment of this Act, the Administrator shall promulgate guidelines establishing supplemental standards or treatment technique requirements for microbiological, viral, radiological, organic, and inorganic contaminants, which guidelines shall be conditions, as provided in paragraph (2), of any grant for a demonstration project for water reclamation, recycling, and reuse funded under section 5 of Public Law 95-155 or under section 1444(a)(2) of the Public Health Service Act, where such project involves direct human consumption of treated wastewater. Such guidelines shall provide for sufficient control of each such contaminant, such that in the Administrator's judgment, no adverse effects on the health of persons may reasonably be anticipated to occur, allowing an adequate margin of safety. Contaminant standards or treatment techniques, guidelines. 42 USC 300j-3b.

(2) A grant referred to in paragraph (1) for a project which involves direct human consumption of treated wastewater may be awarded on or after the date of promulgation of guidelines under this subsection only if the applicant demonstrates to the satisfaction of the Administrator that the project— Grant awards, criteria.

(A) will comply with all national primary drinking water regulations under section 1412 of the Public Health Service Act; 42 USC 300g-1.

(B) will comply with all guidelines under this subsection; and

(C) will in other respects provide safe drinking water.

Any such grant awarded before the date of promulgation of such guidelines shall be conditioned on the applicant's agreement to comply to the maximum feasible extent with such guidelines as expeditiously as practicable following the date of promulgation thereof.

(3) Guidelines under this subsection may, in the discretion of the Administrator—

42 USC 300j-3a.

(A) be nationally and uniformly applicable to all projects funded under section 5 of Public Law 95-155 or section 1442(a)(2) of the Public Health Service Act;

(B) vary for different classes or categories of such projects (as determined by the Administrator);

(C) be established and applicable on a project-by-project basis; or

(D) any combination of the above.

(4) Nothing in this subsection shall be construed to prohibit or delay the award of any grant referred to in paragraph (1) prior to the date of promulgation of such guidelines.

(c) There is authorized to be appropriated to the Administrator for the fiscal year 1979, for purposes of section 5 of the Environmental Research, Development, and Demonstration Authorization Act of 1978, $15,000,000.

Approved October 18, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-985 (Comm. on Science and Technology) and No. 95-1593 (Comm. of Conference).

SENATE REPORT No. 95-877 (Comm. on Environment and Public Works).

CONGRESSIONAL RECORD, Vol. 124 (1978):

Apr. 27, considered and passed House.

May 26, considered and passed Senate, amended.

Sept. 26, Senate agreed to conference report.

Oct. 4, House agreed to conference report.

Public Law 95-478
95th Congress

An Act

To amend the Older Americans Act of 1965 to provide for improved programs for older persons, and for other purposes.

Oct. 18, 1978
[H.R. 12255]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Comprehensive Older Americans Act Amendments of 1978".

Comprehensive Older Americans Act Amendments of 1978.
42 U.S.C. 3001 note.

(b) Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Older Americans Act of 1965.

42 USC 3001 note.

TITLE I—AMENDMENTS TO THE OLDER AMERICANS ACT OF 1965

OBJECTIVES

SEC. 101. Section 101(8) is amended by inserting after "provide" the following: "a choice in supported living arrangements and". 42 USC 3001.

ADMINISTRATION

SEC. 102. (a)(1) Section 202(a) is amended by redesignating clauses (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), (15), and (16) as clauses (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), (15), (16), and (17), respectively, and by inserting after the dash the following new clause: 42 USC 3012.

"(1) serve as the effective and visible advocate for the elderly within the Department of Health, Education, and Welfare and with other departments, agencies, and instrumentalities of the Federal Government by maintaining active review and commenting responsibilities over all Federal policies affecting the elderly;".

(2) Section 202 is amended by redesignating subsection (b), and all references thereto, as subsection (c), and by inserting after subsection (a) the following new subsection: 42 USC 3012.

"(b) In order to strengthen the involvement of the Administration in the development of policy alternatives in long-term care and to insure that the development of community alternatives is given priority attention, the Commissioner shall—

"(1) develop planning linkages with health systems agencies designated under section 1515 of the Public Health Service Act (42 U.S.C. 300l-4);

"(2) participate in all departmental and interdepartmental activities which concern issues of institutional and noninstitutional long-term health care services development; and

"(3) review and comment on all departmental regulations and policies regarding community health and social service development for the elderly.".

(b) Section 203 is amended to read as follows: 42 USC 3013.

"FEDERAL AGENCY CONSULTATION

"SEC. 203. (a) The Commissioner, in carrying out the purposes and provisions of this Act, shall advise, consult, and cooperate with the head of each Federal agency or department proposing or administering programs or services substantially related to the purposes of this Act, with respect to such programs or services. The head of each Federal agency or department proposing to establish programs and services substantially related to the purposes of this Act shall consult with the Commissioner prior to the establishment of such programs and services. The head of each Federal agency administering any program substantially related to the purpose of this Act, particularly administering any program set forth in subsection (b), shall, to achieve appropriate coordination, consult and cooperate with the Commissioner in carrying out such program.

"(b) For the purposes of subsection (a), programs related to the purpose of this Act shall include—

29 USC 801 note. "(1) the Comprehensive Employment and Training Act of 1973,

42 USC 5001. "(2) title II of the Domestic Volunteer Service Act of 1973,

42 USC 1395, 1396, 1397. "(3) titles XVIII, XIX, and XX of the Social Security Act,

12 USC 1715v, 1715w. "(4) sections 231 and 232 of the National Housing Act,

42 USC 1437 note. "(5) the United States Housing Act of 1937,

12 USC 1701q. "(6) section 202 of the Housing Act of 1959,

42 USC 5301. "(7) title I of the Housing and Community Development Act of 1974,

42 USC 2809. "(8) section 222(a)(8) of the Economic Opportunity Act of 1964,

20 USC 821 note. "(9) the community schools program under the Elementary and Secondary Education Act of 1965, and

"(10) sections 3, 5, 9, and 16 of the Urban Mass Transportation Act of 1964.".

49 USC 1602, 1604, 1607a, 1612. (c) Section 204(a)(1) is amended by inserting before the semicolon a comma and the following: "including information related to transportation services for older individuals offered by Federal, State, and local public agencies".

42 USC 3014. (d) Section 204(c) is amended to read as follows:

"(c) There are authorized to be appropriated to carry out the provisions of this section, for fiscal years 1979, 1980, and 1981, such sums as may be necessary.".

42 USC 3015. (e)(1) Section 205(a) is amended by inserting "rural and urban" after "of" in the second sentence, and by adding at the end thereof the following new sentence: "No full-time officer or employee of the Federal Government may be appointed as a member of the Council.".

(2) Section 205(c) is amended by striking out the last sentence thereof.

(3) Section 205(e) is amended to read as follows:

"(e) The Council shall have staff personnel, appointed by the Chairman, to assist it in carrying out its activities. The head of each Federal department and agency shall make available to the Council such information and other assistance as it may require to carry out its activities.".

(4)(A) Section 205(g) is amended to read as follows:

"(g)(1) The Council shall undertake a thorough evaluation and study of programs conducted under this Act.

"(2) The study required in this subsection shall include—

"(A) an examination of the fundamental purposes of such pro-

grams, and the effectiveness of such programs in attaining such purposes;

"(B) an analysis of the means to identify accurately the elderly population in greatest need of such programs; and

"(C) an analysis of numbers and incidence of low-income and minority participants in such programs.

"(3) The study required under this subsection may include—

"(A) an exploration of alternative methods for allocating funds under such programs to States, State agencies on aging, and area agencies on aging in an equitable and efficient manner, which will accurately reflect current conditions and insure that such funds reach the areas of greatest current need and are effectively used for such areas;

"(B) an analysis of the need for area agencies on aging to provide direct services within the planning and service area; and

"(C) an analysis of the number of nonelderly handicapped in need of home delivered meal services.".

(B) Section 205 is amended by striking out subsections (h) and (i) and inserting in lieu thereof the following new subsection: 42 USC 3015.

"(h) There are authorized to be appropriated to carry out the provisions of this section, for fiscal years 1979, 1980, and 1981, such sums as may be necessary.".

(f) Section 206 is amended by redesignating subsection (b) and subsection (c), and all references thereto, as subsection (c) and subsection (d), respectively, and by inserting after subsection (a) the following new subsection: 42 USC 3016.

"(b) The Commissioner shall prepare and submit to the Congress not later than September 30, 1980 a report on the effectiveness of programs conducted under part B of title III relating to legal services and an analysis of the need for a separate program of legal services under this Act and of factors which may prohibit the funding of legal services under this Act without such a separate program, together with such recommendations, including recommendations for additional legislation, as the Commissioner deems appropriate.". *Post*, p. 1535.

(g)(1) Section 207(c) is amended by inserting before the period a comma and the following: "and conduct, where appropriate, evaluations which compare the effectiveness of related programs in achieving common objectives". 42 USC 3017.

(2) Section 207(d) is amended—

(A) by inserting after "summaries" the following: "and analyses";

(B) by striking out "be available" and inserting in lieu thereof "be transmitted"; and

(C) by inserting before "the public" the following: "be accessible to".

(h)(1) Section 211 is amended by inserting "(a)" after the section designation and by adding at the end thereof the following new subsection: 42 USC 3020a.

"(b) No part of the costs of any project under any title of this Act may be treated as income or benefits to any eligible individual (other than any wage or salary to such individual) for the purpose of any other program or provision of Federal or State law.".

(2) Section 211(a), as so redesignated in paragraph (1), is amended by inserting after "88 Stat. 1604)" the following: ", and of title V of the Act of October 15, 1977 (Public Law 95-134; 91 Stat. 1164),". 48 USC 1469a.

(i) Title II is amended by adding at the end thereof the following new sections:

"REDUCTION OF PAPERWORK

42 USC 3020b. "SEC. 212. In order to reduce unnecessary, duplicative, or disruptive demands for information, the Commissioner, in consultation with State agencies designated under section 305(a)(1), and other appropriate agencies and organizations, shall continually review and evaluate all requests by the Administration on Aging for information under this Act and take such action as may be necessary to reduce the paperwork required under this Act. The Commissioner shall request only such information as the Commissioner deems essential to carry out the purposes and provisions of this Act.

"CONTRACTING AND GRANT AUTHORITY

42 USC 3020c. "SEC. 213. None of the provisions of this Act shall be construed to prevent a recipient of a grant or a contract from entering into an agreement, subject to the approval of the State agency, with a profitmaking organization, where such organization demonstrates clear superiority with respect to the quality of services covered by such contract to carry out the provisions of this Act and of the appropriate State plan.

"SURPLUS PROPERTY ELIGIBILITY

42 USC 3020d. "SEC. 214. Any State or local government agency, and any nonprofit organization or institution, which receives funds appropriated for programs for older individuals under this Act, under title IV or title XX of the Social Security Act, or under the Economic Opportunity Act of 1964, shall be deemed eligible to receive for such programs, property which is declared surplus to the needs of the Federal Government in accordance with laws applicable to surplus property.".

42 USC 601, 1397.
42 USC 2701 note.

GRANTS FOR STATE AND COMMUNITY PROGRAMS ON AGING

42 USC 3021 note. SEC. 103. (a)(1) The Congress finds that—

(A) approximately 3 percent of the eligible population is presently served under community services programs authorized under the Older Americans Act of 1965, 17 percent of whom are minority group members;

42 USC 3001 note.

(B) approximately 1 percent of the eligible population is presently served by the nutrition program authorized under the Older Americans Act of 1965, 21 percent of whom are minority group members;

(C) there is program fragmentation at the national, State, and local levels which inhibits effective use of existing resources; and

(D) coordination and consolidation of services provided under the Older Americans Act of 1965 allowing greater local determination to assess the need for services will facilitate achieving the goals of the Older Americans Act of 1965.

(2) It is the purpose of the amendments made by subsection (b) to combine within a consolidated title, subject to the modifications imposed by the provisions and requirements of the amendments made by subsection (b), the programs authorized by title III, title V, and title VII of the Older Americans Act of 1965 in the fiscal year 1978, and funds appropriated to carry out such consolidated title shall be used solely for the purposes and for the assistance of the same types of programs authorized under the provisions of such titles.

Post, p. 1517.
42 USC 3041, 3045.

(b) Title III is amended to read as follows:

"TITLE III—GRANTS FOR STATE AND COMMUNITY PROGRAMS ON AGING

"PART A—GENERAL PROVISIONS

"PURPOSE; ADMINISTRATION

"SEC. 301. (a) It is the purpose of this title to encourage and assist State and local agencies to concentrate resources in order to develop greater capacity and foster the development of comprehensive and coordinated service systems to serve older individuals by entering into new cooperative arrangements in each State with State and local agencies, and with the providers of social services, including nutrition services and multipurpose senior centers, for the planning for the provision of, and for the provision of, social services, nutrition services, and multipurpose senior centers, in order to— 42 USC 3021.

"(1) secure and maintain maximum independence and dignity in a home environment for older individuals capable of self care with appropriate supportive services;

"(2) remove individual and social barriers to economic and personal independence for older individuals; and

"(3) provide a continuum of care for the vulnerable elderly.

"(b)(1) In order to effectively carry out the purpose of this title, the Commissioner shall administer programs under this title through the Administration on Aging.

"(2) In carrying out the provisions of this title, the Commissioner may request the technical assistance and cooperation of the Department of Labor, the Community Services Administration, the Department of Housing and Urban Development, the Department of Transportation, and such other agencies and departments of the Federal Government as may be appropriate.

"DEFINITIONS

"SEC. 302. For the purpose of this title— 42 USC 3022.

"(1) The term 'comprehensive and coordinated system' means a system for providing all necessary social services, including nutrition services, in a manner designed to—

"(A) facilitate accessibility to, and utilization of, all social services and nutrition services provided within the geographic area served by such system by any public or private agency or organization;

"(B) develop and make the most efficient use of social services and nutrition services in meeting the needs of older individuals; and

"(C) use available resources efficiently and with a minimum of duplication.

"(2) The term 'information and referral source' means a location where the State or any public or private agency or organization—

"(A) maintains current information with respect to the opportunities and services available to older individuals, and develops current lists of older individuals in need of services and opportunities; and

"(B) employs a specially trained staff to inform older individuals of the opportunities and services which are avail-

able, and to assist such individuals to take advantage of such opportunities and services.

"(3) The term 'long-term care facility' means any skilled nursing facility, as defined in section 1861(j) of the Social Security Act, any intermediate care facility, as defined in section 1905(c) of the Social Security Act, any nursing home, as defined in section 1908(e) of the Social Security Act, and any other similar adult care home.

42 USC 1395x.
42 USC 1396d.
42 USC 1396g.

"(4) The term 'legal services' means legal advice and representation by an attorney (including, to the extent feasible, counseling or other appropriate assistance by a paralegal or law student under the supervision of an attorney), and includes counseling or representation by a nonlawyer where permitted by law, to older individuals with economic or social needs.

"(5) The term 'planning and service area' means an area specified by a State agency under section 305(a)(1)(E).

"(6) The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands and the Northern Mariana Islands.

"(7) The term 'State agency' means the State agency designated by a State under section 305(a)(1).

"(8) The term 'unit of general purpose local government' means—

"(A) a political subdivision of the State whose authority is general and not limited to only one function or combination of related functions; or

"(B) an Indian tribal organization.

"AUTHORIZATION OF APPROPRIATIONS; USES OF FUNDS

42 USC 3023.

"SEC. 303. (a) There are authorized to be appropriated $300,000,000 for fiscal year 1979, $360,000,000 for fiscal year 1980, and $480,000,000 for fiscal year 1981 for the purpose of making grants under part B of this title (relating to social services).

Post, p. 1535.

"(b)(1) There are authorized to be appropriated $350,000,000 for fiscal year 1979, $375,000,000 for fiscal year 1980, and $400,000,000 for fiscal year 1981 for the purpose of making grants under subpart 1 of part C of this title (relating to congregate nutrition services).

Post, p. 1536.

"(2) There are authorized to be appropriated $80,000,000 for fiscal year 1979, $100,000,000 for fiscal year 1980, and $120,000,000 for fiscal year 1981 for the purpose of making grants under subpart 2 of part C of this title (relating to home delivered nutrition services).

"(c) Grants made under parts B and C of this title may be used for paying part of the cost of—

"(1) the administration of area plans by area agencies on aging designated under section 305(a)(2)(A), including the preparation of area plans on aging consistent with section 306 and the evaluation of activities carried out under such plans; and

"(2) the development of comprehensive and coordinated systems for social services, congregate and home delivered nutrition services, the development and operation of multipurpose senior centers, and the delivery of legal services.

"ALLOTMENT; FEDERAL SHARE

"SEC. 304. (a)(1) From the sums appropriated under parts B and C for fiscal years 1979, 1980, and 1981, each State shall be allotted an amount which bears the same ratio to such sums as the population aged 60 or older in such State bears to the population aged 60 or older in all States, except that (A) no State shall be allotted less than one-half of 1 percent of the sum appropriated for the fiscal year for which the determination is made; (B) Guam, the Virgin Islands, and the Trust Territory of the Pacific Islands, shall each be allotted not less than one-fourth of 1 percent of the sum appropriated for the fiscal year for which the determination is made; (C) American Samoa and the Northern Mariana Islands shall each be allotted not less than one-sixteenth of 1 percent of the sum appropriated for the fiscal year for which the determination is made; and (D) no State shall be allotted an amount less than the State received for fiscal year 1978. For the purpose of the exception contained in clause (A) only, the term 'State' does not include Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands. 42 USC 3024. Post, pp. 1535, 1536.

"(2) The number of individuals aged 60 or older in any State and in all States shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him.

"(b) Whenever the Commissioner determines that any amount allotted to a State under part B or C for a fiscal year under this section will not be used by such State for carrying out the purpose for which the allotment was made, he shall make such allotment available for carrying out such purpose to one or more other States to the extent he determines that such other States will be able to use such additional amount for carrying out such purpose. Any amount made available to a State from an appropriation for a fiscal year in accordance with the preceding sentence shall, for purposes of this title, be regarded as part of such State's allotment (as determined under subsection (a)) for such year, but shall remain available until the end of the succeeding fiscal year.

"(c) If the Commissioner finds that any State has failed to qualify under the State plan requirements of section 307, the Commissioner shall withhold the allotment of funds to such State referred to in subsection (a). The Commissioner shall disburse the funds so withheld directly to any public or private nonprofit institution or organization, agency, or political subdivision of such State submitting an approved plan under section 307, which includes an agreement that any such payment shall be matched in the proportion determined under subsection (d)(1)(B) for such State, by funds for in-kind resources from non-Federal sources.

"(d)(1) From any State's allotment under this section for any fiscal year—

"(A) such amount as the State agency determines, but not more than 8.5 percent thereof, shall be available for paying such percentage as the agency determines, but not more than 75 percent, of the cost of administration of area plans; and

"(B) the remainder of such allotment shall be available to such State only for paying such percentage as the State agency deter-

mines, but not more than 90 percent in fiscal years 1979 and 1980, and 85 percent in fiscal year 1981, of the cost of social services and nutrition services authorized under parts B and C provided in the State as part of a comprehensive and coordinated system in planning and service areas for which there is an area plan approved by the State agency.

Post, pp. 1535, 1536.

"(2) The non-Federal share shall be in cash or in kind. In determining the amount of the non-Federal share, the Commissioner may attribute fair market value to services and facilities contributed from non-Federal sources.

"ORGANIZATION

42 USC 3025.

"SEC. 305. (a) In order for a State to be eligible to participate in programs of grants to States from allotments under this title—

"(1) the State shall, in accordance with regulations of the Commissioner, designate a State agency as the sole State agency to—

State plan, development and approval.

"(A) develop a State plan to be submitted to the Commissioner for approval under section 307;

"(B) administer the State plan within such State;

"(C) be primarily responsible for the coordination of all State activities related to the purposes of this Act;

"(D) serve as an effective and visible advocate for the elderly by reviewing and commenting upon all State plans, budgets, and policies which affect the elderly and providing technical assistance to any agency, organization, association, or individual representing the needs of the elderly; and

"(E) divide the State into distinct areas, in accordance with guidelines issued by the Commissioner, after considering the geographical distribution of individuals aged 60 and older in the State, the incidence of the need for social services, nutrition services, multipurpose senior centers, and legal services, the distribution of older individuals who have low incomes residing in such areas, the distribution of resources available to provide such services or centers, the boundaries of existing areas within the State which were drawn for the planning or administration of social services programs, the location of units of general purpose local government within the State, and any other relevant factors; and

"(2) the State agency designated under clause (1) shall—

"(A) determine for which planning and service area an area plan will be developed, in accordance with section 306, and for each such area designate, after consideration of the views offered by the unit or units of general purpose local government in such area, a public or private nonprofit agency or organization as the area agency on aging for such area;

"(B) provide assurances, satisfactory to the Commissioner, that the State agency will take into account, in connection with matters of general policy arising in the development and administration of the State plan for any fiscal year, the views of recipients of social services or nutrition services, or individuals using multipurpose senior centers provided under such plan;

"(C) develop a formula, in accordance with guidelines issued by the Commissioner, for the distribution within the State of funds received under this title, taking into account,

to the maximum extent feasible, the best available statistics on the geographical distribution of individuals aged 60 and older in the State, and publish such formula for review and comment;

"(D) submit its formula developed under subclause (C) to the Commissioner for review and comment; and

"(E) provide assurances that preference will be given to providing services to older individuals with the greatest economic or social needs and include proposed methods of carrying out the preference in the State plan.

"(b) (1) In carrying out the requirement of clause (1) of subsection (a), the State may designate as a planning and service area any unit of general purpose local government which has a population of 100,000 or more. In any case in which a unit of general purpose local government makes application to the State agency under the preceding sentence to be designated as a planning and service area, the State agency shall, upon request, provide an opportunity for a hearing to such unit of general purpose local government. A State may designate as a planning and service area under clause (1) of subsection (a), any region within the State recognized for purposes of areawide planning which includes one or more such units of general purpose local government when the State determines that the designation of such a regional planning and service area is necessary for, and will enhance, the effective administration of the programs authorized by this title. The State may include in any planning and service area designated under clause (1) of subsection (a) such additional areas adjacent to the unit of general purpose local government or regions so designated as the State determines to be necessary for, and will enhance the effective administration of the programs authorized by this title. Planning and service area, designation.

"(2) The State is encouraged in carrying out the requirement of clause (1) of subsection (a) to include the area covered by the appropriate economic development district involved in any planning and service area designated under such clause, and to include all portions of an Indian reservation within a single planning and service area, if feasible.

"(3) The chief executive officer of each State in which a planning and service area crosses State boundaries, or in which an interstate Indian reservation is located, may apply to the Commissioner to request redesignation as an interstate planning and service area comprising the entire metropolitan area or Indian reservation. If the Commissioner approves such an application, he shall adjust the State allotments of the areas within the planning and service area in which the interstate planning and service area is established to reflect the number of older individuals within the area who will be served by an interstate planning and service area not within the State.

"(4) Whenever a unit of general purpose local government, a region, a metropolitan area or an Indian reservation is denied designation under the provisions of clause (1) of subsection (a), such unit of general purpose local government, region, metropolitan area, or Indian reservation may appeal the decision of the State agency to the Commissioner. The Commissioner shall afford such unit, region, metropolitan area, or Indian reservation an opportunity for a hearing. In carrying out the provisions of this paragraph, the Commissioner may approve the decision of the State agency, disapprove the decision of the State agency and require the State agency to designate the unit, region, area, or Indian reservation appealing the decision as a plan- Appeal.

ning and service area, or take such other action as the Commissioner deems appropriate.

Area agency on aging.

"(c) An area agency on aging designated under subsection (a) shall be—

"(1) an established office of aging which is operating within a planning and service area designated under subsection (a);

"(2) any office or agency of a unit of general purpose local government, which is designated for the purpose of serving as an area agency by the chief elected official of such unit;

"(3) any office or agency designated by the appropriate chief elected officials of any combination of units of general purpose local government to act on behalf of such combination for such purpose; or

"(4) any public or nonprofit private agency in a planning and service area which is under the supervision or direction for this purpose of the designated State agency and which can engage in the planning or provision of a broad range of social services, or nutrition services within such planning and service area;

and shall provide assurance, determined adequate by the State agency, that the area agency will have the ability to develop an area plan and to carry out, directly or through contractual or other arrangements, a program in accordance with the plan within the planning and service area. In designating an area agency on aging within the planning and service area or within any unit of general purpose local government designated as a planning and service area the State shall give preference to an established office on aging, unless the State agency finds that no such office within the planning and service area will have the capacity to carry out the area plan.

"AREA PLANS

42 USC 3026.

"SEC. 306. (a) Each area agency on aging designated under section 305(a)(2)(A) shall, in order to be approved by the State agency, prepare and develop an area plan for a planning and service area for a 3-year period with such annual adjustments as may be necessary. Each such plan shall be based upon a uniform format for area plans within the State prepared in accordance with section 307(a)(1). Each such plan shall—

"(1) provide, through a comprehensive and coordinated system, for social services, nutrition services, and, where appropriate, for the establishment, maintenance, or construction of multipurpose senior centers, within the planning and service area covered by the plan, including determining the extent of need for social services, nutrition services, and multipurpose senior centers in such area (taking into consideration, among other things, the number of older individuals with low incomes residing in such area), evaluating the effectiveness of the use of resources in meeting such need, and entering into agreements with providers of social services, nutrition services, or multipurpose senior centers in such area, for the provision of such services or centers to meet such need;

"(2) provide assurances that at least 50 percent of the amount allotted for part B to the planning and service area will be expended for the delivery of—

Post, p. 1535.

"(A) services associated with access to services (transportation, outreach, and information and referral);

"(B) in-home services (homemaker and home health aide, visiting and telephone reassurance, and chore maintenance); and

"(C) legal services;

and that some funds will be expended for each such category of services;

"(3) designate, where feasible, a focal point for comprehensive service delivery in each community to encourage the maximum collocation and coordination of services for older individuals, and give special consideration to designating multipurpose senior centers as such focal point;

"(4) provide for the establishment and maintenance of information and referral services in sufficient numbers to assure that all older individuals within the planning and service area covered by the plan will have reasonably convenient access to such services;

"(5)(A) provide assurances that preference will be given to providing services to older individuals with the greatest economic or social needs and include proposed methods of carrying out the preference in the area plan; and

"(B) assure the use of outreach efforts that will identify individuals eligible for assistance under this Act, with special emphasis on rural elderly, and inform such individuals of the availability of such assistance;

"(6) provide that the area agency on aging will—

"(A) conduct periodic evaluations of activities carried out under the area plan;

"(B) furnish appropriate technical assistance to providers of social services, nutrition services, or multipurpose senior centers in the planning and service area covered by the area plan;

"(C) take into account in connection with matters of general policy arising in the development and administration of the area plan, the views of recipients of services under such plan;

"(D) serve as the advocate and focal point for the elderly within the community by monitoring, evaluating, and commenting upon all policies, programs, hearings, levies, and community actions which will affect the elderly;

"(E) where possible, enter into arrangements with organizations providing day care services for children so as to provide opportunities for older individuals to aid or assist on a voluntary basis in the delivery of such services to children;

"(F) where possible, enter into arrangements with local educational agencies, institutions of higher education, and nonprofit private organizations, to use services provided for older individuals under the community schools program under the Elementary and Secondary Education Act of 1965;

20 USC 821 note.

"(G) establish an advisory council consisting of older individuals who are participants or who are eligible to participate in programs assisted under this Act, representatives of older individuals, local elected officials, and the general public, to advise continuously the area agency on all matters relating to the development of the area plan, the administration of the plan and operations conducted under the plan;

Advisory council, establishment.

"(H) develop and publish methods by which priority of

services is determined, particularly with respect to the delivery of services under clause (2); and

"(I) establish effective and efficient procedures for coordination between the programs assisted under this title and programs described in section 203(b).

Ante, p. 1514.

Waiver.

"(b)(1) Each State, in approving area agency plans under this section, may, for fiscal years 1979 and 1980, waive any particular requirement relating to the delivery of services or the establishment or operation of multipurpose senior centers which such agency cannot meet because of the consolidation authorized by the Comprehensive Older Americans Act Amendments of 1978, except that the State agency may grant such a waiver only if the area agency demonstrates to the State agency that it is taking steps to meet the requirements of this title, but in any event the State agency may not grant a waiver for any requirement of this Act in effect on September 30, 1978.

Ante, p. 1513.

"(2) Each State, in approving area agency plans under this section, may waive the requirement described in clause (2) of subsection (a) for any category of services described in such clause if the area agency on aging demonstrates to the State agency that services being furnished for such category in the area are sufficient to meet the need for such services in such area. If the State agency grants a waiver under the preceding sentence with respect to any category, then the area agency shall expend under clause (2) of subsection (a) a percentage of the amount allotted for part B to the planning and service area, for the categories with respect to which such waiver does not apply, that is agreed upon by the State agency and the area agency.

"(c)(1) Subject to regulations prescribed by the Commissioner, an area agency on aging designated under section 305(a)(2)(A) or, in areas of a State where no such agency has been designated, the State agency, may enter into agreements with agencies administering programs under the Rehabilitation Act of 1973, and titles XIX and XX of the Social Security Act for the purpose of developing and implementing plans for meeting the common need for transportation services of individuals receiving benefits under such Acts and older individuals participating in programs authorized by this title.

29 USC 701 note.
42 USC 1396, 1397.

Transportation services, funds.

"(2) In accordance with an agreement entered into under paragraph (1), funds appropriated under this title may be used to purchase transportation services for older individuals and may be pooled with funds made available for the provision of transportation services under the Rehabilitation Act of 1973, and titles XIX and XX of the Social Security Act.

"STATE PLANS

42 USC 3027.

"SEC. 307. (a) Except as provided in section 309(a), each State, in order to be eligible for grants from its allotment under this title for any fiscal year, shall submit to the Commissioner a State plan for a 3-year period, with such annual revisions as are necessary, which meets such criteria as the Commissioner may by regulation prescribe. Each such plan shall—

Requirements.

"(1) contain assurances that the State plan will be based upon area plans developed by area agencies on aging within the State designated under section 305(a)(2)(A) and that the State will prepare and distribute a uniform format for use by area agencies in developing area plans under section 306;

"(2) provide that each area agency on aging designated under section 305(a)(2)(A) will develop and submit to the State agency

for approval an area plan which complies with the provisions of section 306;

"(3)(A) provide that the State agency will evaluate the need for social services (including legal services), nutrition services, and multipurpose senior centers within the State and determine the extent to which existing public or private programs meet such need; and

"(B) provide assurances that the State agency will spend in each fiscal year, for services to older individuals residing in rural areas in the State assisted under this title, an amount equal to not less than 105 percent of the amount expended for such services (including amounts expended under title V and title VII) in fiscal year 1978; 42 USC 3041, 3045.

"(4) provide for the use of such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Commissioner shall exercise no authority with respect to the selection, tenure of office, or compensation of any individual employed in accordance with such methods) as are necessary for the proper and efficient administration of the plan, and, where necessary, provide for the reorganization and reassignment of functions to assure such efficient administration;

"(5) provide that the State agency will afford an opportunity for a hearing upon request to any area agency on aging submitting a plan under this title, to any provider of a service under such a plan, or to any applicant to provide a service under such a plan; Hearing.

"(6) provide that the State agency will make such reports, in such form, and containing such information, as the Commissioner may require, and comply with such requirements as the Commissioner may impose to insure the correctness of such reports; Reports.

"(7) provide satisfactory assurance that such fiscal control and fund accounting procedures will be adopted as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid under this title to the State, including any such funds paid to the recipients of a grant or contract; Accounting procedures.

"(8) provide that the State agency will conduct periodic evaluations of activities and projects carried out under the State plan;

"(9) provide for establishing and maintaining information and referral services in sufficient numbers to assure that all older individuals in the State who are not furnished adequate information and referral services under section 306(a)(4) will have reasonably convenient access to such services;

"(10) provide that no social services, including nutrition services, will be directly provided by the State agency or an area agency on aging, except where, in the judgment of the State agency, provision of such services by the State agency or an area agency on aging is necessary to assure an adequate supply of such services;

"(11) provide that subject to the requirements of merit employment systems of State and local governments, preference shall be given to individuals aged 60 or older for any staff positions (full time or part time) in State and area agencies for which such individuals qualify;

"(12) provide assurances that the State agency will— Ombudsman program.

"(A) establish and operate, either directly or by contract or other arrangement with any public agency or other appro-

priate private nonprofit organization which is not responsible for licensing or certifying long-term care services in the State or which is not an association (or an affiliate of such an association) of long-term care facilities (including any other residential facility for older individuals), a long-term care ombudsman program which will—

"(i) investigate and resolve complaints made by or on behalf of older individuals who are residents of long-term care facilities relating to administrative action which may adversely affect the health, safety, welfare, and rights of such residents;

"(ii) monitor the development and implementation of Federal, State, and local laws, regulations, and policies with respect to long-term care facilities in that State;

"(iii) provide information as appropriate to public agencies regarding the problems of older individuals residing in long-term care facilities;

"(iv) provide for training volunteers and promote the development of citizen organizations to participate in the ombudsman program; and

"(v) carry out such other activities as the Commissioner deems appropriate;

Record access and disclosure.

"(B) establish procedures for appropriate access by the ombudsman to long-term care facilities and patients' records, including procedures to protect the confidentiality of such records and ensure that the identity of any complainant or resident will not be disclosed without the written consent of such complainant or resident, or upon court order;

Reporting system.

"(C) establish a statewide uniform reporting system to collect and analyze data relating to complaints and conditions in long-term care facilities for the purpose of identifying and resolving significant problems, with provision for submission of such data to the agency of the State responsible for licensing or certifying long-term care facilities in the State and to the Commissioner on a regular basis; and

"(D) establish procedures to assure that any files maintained by the ombudsman program shall be disclosed only at the discretion of the ombudsman having authority over the disposition of such files, except that the identity of any complainant or resident of a long-term care facility shall not be disclosed by such ombudsman unless—

"(i) such complainant or resident, or his legal representative, consents in writing to such disclosure; or

"(ii) such disclosure is required by court order;

Nutrition services.

"(13) provide with respect to nutrition services that—

"(A) each project providing nutrition services will be available to individuals aged 60 or older, and to their spouses;

"(B) each project will provide meals in a congregate setting, except that each such project may provide home delivered meals based upon a determination of need made by the recipient of a grant or contract entered into under this title;

"(C)(i) each project will permit recipients of grants or contracts to charge participating individuals for meals furnished in accordance with guidelines established by the Commissioner, taking into consideration the income ranges of eligible individuals in local communities and other sources of income of the recipients of a grant or contract; and

"(ii) such charges will be used to increase the number of meals served by the project involved;

"(D) a site for such services and for comprehensive social services is furnished in as close proximity to the majority of eligible individuals' residences as feasible, with particular attention upon a multipurpose senior center, a school, a church, or other appropriate community facility, preferably within walking distance where possible, and where appropriate, transportation to such site is furnished or home delivered meals are furnished to eligible individuals who are homebound;

"(E) each project will establish outreach activities which assure that the maximum number of eligible individuals may have an opportunity to participate;

"(F) each project may establish and administer the nutrition project with the advice of persons competent in the field of service in which the nutrition project is being provided, older individuals who will participate in the program, and of persons who are knowledgeable with regard to the needs of older individuals;

"(G) each project will provide special menus, where feasible and appropriate, to meet the particular dietary needs arising from the health requirements, religious requirements, or ethnic backgrounds of eligible individuals;

"(H) each area agency will give consideration, where feasible, in the furnishing of home delivered meals to the use of organizations which (i) have demonstrated an ability to provide home delivered meals efficiently and reasonably; and (ii) furnish assurances to the area agency that such an organization will maintain efforts to solicit voluntary support and that funds made available under this title to the organization will not be used to supplant funds from non-Federal sources; and

"(I) each State agency may, only for fiscal years 1979 and 1980, use not to exceed 20 percent of the amounts allotted under part C to the State for supportive services, including recreational activities, informational services, health and welfare counseling, and referral services, directly related to the delivery of congregate or home delivered meals, except that the Commissioner may approve an application from a State to use not to exceed 50 percent of its amount allotted under part C in areas with unusually high supportive services costs; *Post*, p. 1536.

"(14) provide, with respect to the acquisition (in fee simple or by lease for 10 years or more), alteration, or renovation of existing facilities (or the construction of new facilities in any area in which there are no suitable structures available, as determined by the State agency, after full consideration of the recommendations made by area agencies, to be a focal point for the delivery of services assisted under this title) to serve as multipurpose senior centers, that— **Multipurpose senior centers, facilities.**

"(A) the plan contains or is supported by reasonable assurances that (i) for not less than 10 years after acquisition, or not less than 20 years after the completion of construction, the facility will be used for the purpose for which it is to be acquired or constructed, unless for unusual circumstances the Commissioner waives the requirement of this division; (ii) sufficient funds will be available to meet the non-Federal share

of the cost of acquisition or construction of the facility; (iii) sufficient funds will be available when acquisition or construction is completed, for effective use of the facility for the purpose for which it is being acquired or constructed; and (iv) the facility will not be used and is not intended to be used for sectarian instruction or as a place for religious worship;

"(B) the plan contains or is supported by reasonable assurances that, in the case of purchase or construction, there are no existing facilities in the community suitable for leasing as a multipurpose senior center;

"(C) the plans and specifications for the facility are in accordance with regulations relating to minimum standards of construction, promulgated with particular emphasis on securing compliance with the requirements of the Act of August 12, 1968, commonly known as the Architectural Barriers Act of 1968;

42 USC 4151 note.

"(D) the plan contains or is supported by adequate assurance that any laborer or mechanic employed by any contractor or subcontractor in the performance of work on the facility will be paid wages at rates not less than those prevailing for similar work in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5; commonly known as the Davis-Bacon Act), and the Secretary of Labor shall have, with respect to the labor standards specified in this clause, the authority and functions set forth in reorganization plan numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267), and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c); and

"(E) the plan contains assurances that the State agency will consult with the Secretary of Housing and Urban Development with respect to the technical adequacy of any proposed alteration or renovation;

Legal services.

"(15) provide that with respect to legal services—

"(A) the plan contains assurances that area agencies on aging will (i) enter into contracts with providers of legal services which can demonstrate the experience or capacity to deliver legal services; (ii) include in any such contract provisions to assure that any recipient of funds under division (i) will be subject to specific restrictions and regulations promulgated under the Legal Services Corporation Act (other than restrictions and regulations governing eligibility for legal assistance under such Act and governing membership of local governing boards) as determined appropriate by the Commissioner; and (iii) attempt to involve the private bar in legal services activities authorized under this title, including groups within the private bar furnishing services to older individuals on a pro bono and reduced fee basis;

42 USC 2996 note.

"(B) the plan contains assurances that no legal services will be furnished unless the grantee—

"(i) is a recipient of funds under the Legal Services Corporation Act; or

"(ii) administers a program designed to provide legal services to all older individuals with social or economic need and has agreed to coordinate its services with existing Legal Services Corporation projects in the area in

order to concentrate the use of funds provided under this title on individuals with the greatest such need but who are not eligible for legal assistance under the Legal Services Corporation Act;

and the area agency makes a finding after assessment, pursuant to standards for service promulgated by the Commissioner, that any grantee selected is the entity best able to provide the particular services; 42 USC 2996 note.

"(C) the State agency will provide for the coordination of the furnishing of legal services to older individuals within the State, and provide advice and technical assistance in the provision of legal services to older individuals within the State and support the furnishing of training and technical assistance for legal services for older individuals; and

"(D) the plan contains assurances, to the extent practicable, that legal services furnished under the plan will be in addition to any legal services for older individuals being furnished with funds from sources other than this Act and that reasonable efforts will be made to maintain existing levels of legal services for older individuals; and

"(16) provide that the State agency, from funds allotted under section 304(a) for part B will use an amount equal to an amount not less than 1 percent of such allotment or $20,000, whichever is greater, for the purpose of carrying out the provisions of clause (12), except that (A) the requirement of this clause shall not apply in any fiscal year in which a State spends from State or local sources an amount equal to the amount required to be spent by this clause; and (B) the provisions of this clause shall not apply to American Samoa, Guam, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands. *Post*, p. 1535.

"(b)(1) The Commissioner shall approve any State plan which he finds fulfills the requirements of subsection (a).

"(2) The Commissioner, in approving any State plan under this section may, for the fiscal years 1979 and 1980, waive any particular requirement relating to the delivery of services or the establishment or operation of multipurpose senior centers which the State agency cannot meet because of the consolidation authorized by the Comprehensive Older Americans Act Amendments of 1978 or because meeting such requirement would reduce or jeopardize the quality of services under this Act, except that the Commissioner may grant such a waiver only if the State agency demonstrates that it is taking steps to meet the requirements of this title, but in any event the Commissioner may not grant a waiver for any requirement of this Act in effect on September 30, 1978. The Commissioner may not disapprove any State plan under paragraph (1) solely on the ground that a State requested a waiver under the preceding sentence. Waiver. *Ante*, p. 1513.

"(3) The Commissioner, in approving any State plan under this section, may waive the requirement described in clause (3)(B) of subsection (a) if the State agency demonstrates to the Commissioner that the service needs of older individuals residing in rural areas in the State are being met, or that the number of older individuals residing in such rural areas is not sufficient to require the State agency to comply with the requirement described in clause (3)(B) of subsection (a).

"(c) The Commissioner shall not make a final determination disapproving any State plan, or any modification thereof, or make a final Hearing.

determination that a State is ineligible under section 305, without first affording the State reasonable notice and opportunity for a hearing.

State plan, failure to comply.

"(d) Whenever the Commissioner, after reasonable notice and opportunity for a hearing to the State agency, finds that—

"(1) the State is not eligible under section 305,

"(2) the State plan has been so changed that it no longer complies substantially with the provisions of subsection (a), or

"(3) in the administration of the plan there is a failure to comply substantially with any such provision of subsection (a),

the Commissioner shall notify such State agency that no further payments from its allotments under section 304 and section 308 will be made to the State (or, in his discretion, that further payments to the State will be limited to projects under or portions of the State plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, no further payments shall be made to such State from its allotments under section 304 and section 308 (or payments shall be limited to projects under or portions of the State plan not affected by such failure). The Commissioner shall, in accordance with regulations he shall prescribe, disburse the funds so withheld directly to any public or nonprofit private organization or agency or political subdivision of such State submitting an approved plan in accordance with the provisions of section 307. Any such payment shall be matched in the proportions specified in section 304.

Appeal.

"(e)(1) A State which is dissatisfied with a final action of the Commissioner under subsection (b), (c), or (d) may appeal to the United States court of appeals for the circuit in which the State is located, by filing a petition with such court within 30 days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner, or any officer designated by him for such purpose. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

Petition filing.

"(2) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Commissioner may modify or set aside his order. The findings of the Commissioner as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner shall, within 30 days, file in the court the record of those further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Commissioner shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"(3) The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Commissioner's action.

"PLANNING, COORDINATION, EVALUATION, AND ADMINISTRATION OF STATE PLANS

Grants.
42 USC 3028.

"SEC. 308. (a)(1) Amounts appropriated under section 303 may be used to make grants to States for paying such percentages as each

State agency determines, but not more than 75 percent, of the cost of the administration of its State plan, including the preparation of the State plan, the evaluation of activities carried out under such plan, the collection of data and the carrying out of analyses related to the need for social services, nutrition services, and multipurpose senior centers within the State, and dissemination of information so obtained, the provision of short-term training to personnel of public or nonprofit private agencies and organizations engaged in the operation of programs authorized by this Act, and the carrying out of demonstration projects of statewide significance relating to the initiation, expansion, or improvement of services assisted under this title.

"(2) Any sums received by a State under this section for part of the cost of the administration of its State plan which the State determines is not needed for such purpose may be used by the State to supplement the amount available under section 304(d)(1)(A) to cover part of the cost of the administration of area plans.

"(3) Any State which has designated a single planning and service area under section 305(a)(1)(E) covering all, or substantially all, of the older individuals in such State, as determined by the Commissioner, may elect to pay part of the costs of the administration of State and area plans either out of sums received under this section or out of sums made available for the administration of area plans under section 304(d)(1)(A), but shall not pay such costs out of sums received or allotted under both such sections.

"(b)(1) From the sums appropriated for any fiscal year under section 303 for carrying out the purposes of this section, each State shall be allotted an amount which bears the same ratio to such sums as the population aged 60 or older in such State bears to the population aged 60 or older in all States, except that (A) no State shall be allotted less than one-half of 1 percent of the sum appropriated for the fiscal year for which the determination is made, or $300,000, whichever is greater; and (B) Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands shall be each allotted no less than one-fourth of 1 percent of the sum appropriated for the fiscal year for which the determination is made, or $75,000, whichever is greater. For the purpose of the exception contained in clause (A), the term 'State' does not include Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands.

Funds, allocation.

"State."

"(2)(A) Any State which desires to receive amounts, in addition to amounts allotted to such State under paragraph (1), to be used in the administration of its State plan in accordance with subsection (a) may transmit an application to the Commissioner in accordance with this paragraph. Any such application shall be transmitted in such form, and according to such procedures, as the Commissioner may require, except that such application may not be made as part of, or as an amendment to, the State plan.

Applications for additional funds.

"(B) The Commissioner may approve any application transmitted by a State under subparagraph (A) if the Commissioner determines, based upon a particularized showing of need, that—

"(i) the State will be unable to fully and effectively administer its State plan and to carry out programs and projects authorized by this title unless such additional amounts are made available by the Commissioner;

"(ii) the State is making full and effective use of its allotment under paragraph (1) and of the personnel of the State agency and area agencies designated under section 305(a)(2)(A) in the

administration of its State plan in accordance with subsection (a); and

"(iii) the State agency and area agencies of such State designated under section 305 are carrying out, on a full-time basis, programs and activities which are in furtherance of the purposes of this Act.

"(C) The Commissioner may approve that portion of the amount requested by a State in its application under subparagraph (A) which he determines has been justified in such application.

Limitation.

"(D) Amounts which any State may receive in any fiscal year under this paragraph may not exceed three-fourths of 1 percent of the sum of the amounts allotted under section 304(a) to such State to carry out the State plan for such fiscal year.

"(E) No application by a State under subparagraph (A) shall be approved unless it contains assurances that no amounts received by the State under this paragraph will be used to hire any individual to fill a job opening created by the action of the State in laying off or terminating the employment of any regular employee not supported under this Act in anticipation of filling the vacancy so created by hiring an employee to be supported through use of amounts received under this paragraph.

State allotments.

"(3) Each State shall be entitled to an allotment under this section for any fiscal year in an amount which is not less than the amount of the allotment to which such State was entitled under paragraph (1) for the fiscal year ending June 30, 1975.

"(4) The number of individuals aged 60 or older in any State and in all States shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him.

"(5) Notwithstanding any other provision of this title, with respect to funds received under section 303(b)(1) and (2), a State may elect in its plan under section 307(a)(13) regarding part C of this title, to transfer a portion of the funds appropriated between subpart 1 and subpart 2 of part C, for use as the State considers appropriate to meet the needs of the area served. The Commissioner shall approve any such transfer unless he determines that such transfer is not consistent with the purposes of this Act.

Post, p. 1536.

"(c) The amounts of any State's allotment under subsection (b) for any fiscal year which the Commissioner determines will not be required for that year for the purposes described in subsection (a)(1) shall be available to provide services under part B or part C, or both, in the State.

Post, pp. 1535, 1536.

"PAYMENTS

42 USC 3029.

"SEC. 309. (a) Payments of grants or contracts under this title may be made (after necessary adjustments resulting from previously made overpayments or underpayments) in advance or by way of reimbursement, and in such installments, as the Commissioner may determine. From a State's allotment for a fiscal year which is available under section 308 the Commissioner may pay to a State which does not have a State plan approved under section 307 such amounts as he deems appropriate for the purpose of assisting such State in developing a State plan.

"(b)(1) For each fiscal year, not less than 25 percent of the non-Federal share of the total expenditures under the State plan which is required by section 304(d) shall be met from funds from State or local public sources.

"(2) Funds required to meet the non-Federal share required by section 304(d)(1)(B), in amounts exceeding the non-Federal share required prior to fiscal year 1981, shall be met from State sources.

"(c) A State's allotment under section 304 for a fiscal year shall be reduced by the percentage (if any) by which its expenditures for such year from State sources under its State plan approved under section 307 are less than its expenditures from such sources for the preceding fiscal year.

"DISASTER RELIEF REIMBURSEMENTS

"SEC. 310. (a)(1) The Commissioner may provide reimbursements to any State, upon application for such reimbursement, for funds such State makes available to area agencies in such State for the delivery of social services during any major disaster declared by the President in accordance with the Disaster Relief Act of 1974. 42 USC 3030.

"(2) Total payments to all States under paragraph (1) in any fiscal year shall not exceed 5 percent of the total amount appropriated and available for carrying out the purposes of section 421. 42 USC 5121 note.

"(b)(1) At the beginning of each fiscal year the Commissioner shall set aside, for payment to States under subsection (a), an amount equal to 5 percent of the total amount appropriated and available for carrying out the purposes of section 421. *Post*, p. 1539.

"(2) Amounts set aside under paragraph (1) which are not obligated by the end of the third quarter of any fiscal year shall be made available for carrying out the purposes of section 421.

"(c) Nothing in this section shall be construed to prohibit expenditures by States for disaster relief for older individuals in excess of amounts reimbursable under this section, by using funds made available to them under other sections of this Act or under other provisions of Federal or State law, or from private sources.

"AVAILABILITY OF SURPLUS COMMODITIES

"SEC. 311. (a)(1) Agricultural commodities and products purchased by the Secretary of Agriculture under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), shall be donated to a recipient of a grant or contract to be used for providing nutrition services in accordance with the provisions of this title. Nutrition services. 42 USC 3030a.

"(2) The Commodity Credit Corporation shall dispose of food commodities under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) by donating them to a recipient of a grant or contract to be used for providing nutrition services in accordance with the provisions of this title.

"(3) Dairy products purchased by the Secretary of Agriculture under section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a-1) shall be used to meet the requirements of programs providing nutrition services in accordance with the provisions of this title. Dairy products.

"(4) In donating commodities under this subsection, the Secretary of Agriculture shall maintain an annually programmed level of assistance of not less than 15 cents per meal during fiscal year 1976, 25 cents per meal during fiscal year 1977 and fiscal year 1978, and 30 cents per meal during the three succeeding fiscal years. The amount specified in this paragraph shall be adjusted on an annual basis for each fiscal year after June 30, 1975, to reflect changes in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. Such adjustment shall be computed to the nearest one-fourth cent. Among

the commodities delivered under this subsection, the Secretary shall give special emphasis to high protein foods, meat, and meat alternates. The Secretary of Agriculture, in consultation with the Commissioner, is authorized to prescribe the terms and conditions respecting the donating of commodities under this subsection.

High protein foods, meat, and meat alternates.

"(b)(1) During each of the fiscal years ending before October 1, 1981, the Secretary of Agriculture shall purchase high protein foods, meat, and meat alternates on the open market, at prices not in excess of market prices, out of funds appropriated under this section, as determined under paragraph (3), for distribution to recipients of grants or contracts to be used for providing nutrition services in accordance with the provisions of this title. High protein foods, meat, and meat alternates purchased by the Secretary of Agriculture under this subsection shall be grown and produced in the United States.

"(2) High protein foods, meat, and meat alternates donated under this subsection shall not be considered donated commodities for purposes of meeting the requirement of subsection (a)(4) with respect to the annually programmed level of assistance under subsection (a).

"(3) There are authorized to be appropriated such sums as may be necessary in order to carry out the program established by paragraph (1).

Cash payments.

"(c)(1) Notwithstanding any other provision of law, a State may, for purposes of the programs authorized by this Act, elect to receive cash payments in lieu of donated foods for all or any portion of its project. In any case in which a State makes such an election, the Secretary of Agriculture shall make cash payments to such State in an amount equivalent in value to the donated foods which the State otherwise would have received if such State had retained its commodity distribution.

"(2) When such payments are made, the State agency shall promptly and equitably disburse any cash it receives in lieu of commodities to recipients of grants or contracts. Such disbursements shall only be used by such recipients of grants or contracts to purchase United States agricultural commodities and other foods for their nutrition projects.

"(3) Nothing in this subsection shall be construed to authorize the Secretary of Agriculture to require any State to elect to receive cash payments under this subsection.

"MULTIPURPOSE SENIOR CENTERS: RECAPTURE OF PAYMENTS

42 USC 3030b.

"SEC. 312. If, within 10 years after acquisition, or within 20 years after the completion of construction, of any facility for which funds have been paid under this title—

"(1) the owner of the facility ceases to be a public or nonprofit private agency or organization; or

"(2) the facility ceases to be used for the purposes for which it was acquired (unless the Commissioner determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so);

the United States shall be entitled to recover from the applicant or other owner of the facility an amount which bears to the then value of the facility (or so much thereof as constituted an approved project or projects) the same ratio as the amount of such Federal funds bore to the cost of the facility financed with the aid of such funds. Such value shall be determined by agreement of the parties or by action

brought in the United States district court for the district in which such facility is situated.

"AUDIT

"SEC. 313. The Commissioner and the Comptroller General of the United States or any of their duly authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records that are pertinent to a grant or contract received under this title. 42 USC 3030c.

"PART B—SOCIAL SERVICES

"PROGRAM AUTHORIZED

"SEC. 321. (a) The Commissioner shall carry out a program for making grants to States under State plans approved under section 307 for any of the following social services: Grant program. 42 USC 3030d.

"(1) health, continuing education, welfare, informational, recreational, homemaker, counseling, or referral services;

"(2) transportation services to facilitate access to social services or nutrition services, or both;

"(3) services designed to encourage and assist older individuals to use the facilities and services available to them;

"(4) services designed to assist older individuals to obtain adequate housing, including residential repair and renovation projects designed to enable older individuals to maintain their homes in conformity with minimum housing standards or to adapt homes to meet the needs of older individuals suffering from physical disabilities;

"(5) services designed to assist older individuals in avoiding institutionalization, including preinstitution evaluation and screening and home health services, homemaker services, shopping services, escort services, reader services, letter writing services, and other similar services designed to assist such individuals to continue living independently in a home environment;

"(6) services designed to provide legal services and other counseling services and assistance, including tax counseling and assistance and financial counseling, to older individuals;

"(7) services designed to enable older individuals to attain and maintain physical and mental well-being through programs of regular physical activity and exercise;

"(8) services designed to provide health screening to detect or prevent illness, or both, that occur most frequently in older individuals;

"(9) services designed to provide preretirement and second career counseling for older individuals;

"(10) services of an ombudsman at the State level to receive, investigate, and act on complaints by older individuals who are residents of long-term care facilities and to advocate the well-being of such individuals;

"(11) services which are designed to meet the unique needs of older individuals who are disabled; or

"(12) any other services;

if such services meet standards prescribed by the Commissioner and are necessary for the general welfare of older individuals.

"(b)(1) The Commissioner shall carry out a program for making grants to States under State plans approved under section 307 for Facilities.

the acquisition, alteration, or renovation of existing facilities, including mobile units, and, where appropriate, construction of facilities to serve as multipurpose senior centers which shall be community facilities for the organization and provision of a broad spectrum of services, including provision of health, social, nutritional, and educational services and provision of facilities for recreational activities for older individuals.

Professional and technical personnel, compensation.

"(2) Funds made available to a State under this part may be used, for the purpose of assisting in the operation of multipurpose senior centers, to meet all or part of the costs of compensating professional and technical personnel required for the operation of multipurpose senior centers.

"PART C—NUTRITION SERVICES

"Subpart 1—Congregate Nutrition Services

"PROGRAM AUTHORIZED

Grants.
42 USC 3030e.

"SEC. 331. The Commissioner shall carry out a program for making grants to States under State plans approved under section 307 for the establishment and operation of nutrition projects—

"(1) which, 5 or more days a week, provide at least one hot or other appropriate meal per day and any additional meals which the recipient of a grant or contract under this subpart may elect to provide, each of which assures a minimum of one-third of the daily recommended dietary allowances as established by the Food and Nutrition Board of the National Academy of Sciences-National Research Council;

"(2) which shall be provided in congregate settings; and

"(3) which may include nutrition education services and other appropriate nutrition services for older individuals.

"Subpart 2—Home Delivered Nutrition Services

"PROGRAM AUTHORIZED

Grants.
42 USC 3030f.

"SEC. 336. The Commissioner shall carry out a program for making grants to States under State plans approved under section 307 for the establishment and operation of nutrition projects for older individuals which, 5 or more days a week, provide at least one home delivered hot, cold, frozen, dried, canned, or supplemental foods (with a satisfactory storage life) meal per day and any additional meals which the recipient of a grant or contract under this subpart may elect to provide, each of which assures a minimum of one-third of the daily recommended dietary allowances as established by the Food and Nutrition Board of the National Academy of Sciences-National Research Council.

"CRITERIA

Efficiency and quality standards.
42 USC 3030g.

"SEC. 337. The Commissioner, in consultation with organizations of and for the aged, blind, and disabled, and with representatives from the American Dietetic Association, the Association of Area Agencies on Aging, the National Association of Title VII Project Directors, the National Association of Meals Programs, Incorporated, and any other appropriate group, shall develop minimum criteria of efficiency and quality for the furnishing of home delivered meal services for projects described in section 336. The criteria required by this section

shall take into account the ability of established home delivered meals programs to continue such services without major alteration in the furnishing of such services.".

TRAINING, RESEARCH, AND DISCRETIONARY PROJECTS AND PROGRAMS

SEC. 104. (a)(1) Section 401 is amended to read as follows: 42 USC 3031.

"STATEMENT OF PURPOSE

"SEC. 401. (a) The purpose of this part is to develop and implement a national manpower policy for the field of aging. Such a policy shall reflect the present and future needs for training personnel, including personnel involved in advocacy and leadership, in all programs serving the elderly recognizing the unique health, transportation, and housing problems of the elderly, the continual growth of the elderly population of the United States, and the high incidence of disabilities within such population. The national manpower policy established under this part shall require that training programs shall give priority to training personnel responsible for carrying out projects relating to multipurpose senior centers under part B of title III and for carrying out programs under part C of title III. National manpower policy.

Ante, p. 1535.
Ante, p. 1536.

"(b) The policy required by this title shall be developed and implemented by the Commissioner in cooperation with other departments and agencies of the Federal Government, including the Public Health Service, the Health Care Financing Administration, the Social Security Administration, the National Institutes of Health, and in particular the National Institute on Aging, the Administration for Public Services, the Rehabilitation Services Administration, the Veterans' Administration, the Department of Labor, the Department of Housing and Urban Development, and the Department of Transportation, State employment agencies, State and area agencies on aging, and other appropriate agencies.". Implementation.

(2) Section 402 is amended to read as follows: 42 USC 3032.

"APPRAISING PERSONNEL NEEDS IN THE FIELD OF AGING

"SEC. 402. (a) The Commissioner shall, at such times as he deems appropriate and in cooperation with representatives referred to in section 401(b), assess the Nation's existing and future personnel needs in the field of aging, including as part of such assessment, the needs for personnel in both institutional and non-institutional long-term care settings, and evaluate all programs, including institutional and non-institutional long-term care programs, serving the elderly at all levels of government recognizing the continual growth of the elderly population. The assessment required by this section shall be conducted in accordance with the national manpower policy developed under section 401.

"(b) The assessment required by this section shall be submitted biennially to the Congress. Each such report shall indicate the impact of the assessment on the national manpower policy and plans for the future.". Report to Congress.

(3)(A) Section 403 is amended by striking out "The" and inserting in lieu thereof the following: "In accordance with the requirements set forth in the national manpower policy, the". 42 USC 3033.

42 USC 3033. (B) Section 403(4) is amended by striking out "to the purposes of this Act" and inserting in lieu thereof "to the field of aging".

42 USC 3034. (4)(A) Section 404(a) is amended—

(i) by striking out "The" and inserting in lieu thereof the following: "In accordance with the requirements set forth in the national manpower policy, the"; and

(ii) by striking out "fields related to the purposes of this Act" and inserting in lieu thereof "the field of aging".

(B) Section 404(a)(1) is amended by striking out "purposes of this Act" and inserting in lieu thereof "field of aging".

(C) Section 404(a) is further amended by redesignating clauses (1), (2), (3), (4), (5), and (6) as clauses (2), (3), (4), (5), (6), and (7), respectively, and by inserting after the dash the following new clause:

"(1) to coordinate the training efforts of all programs serving the elderly at the Federal, State, and local levels recognizing the continual growth of the elderly population,".

(D) Section 404(a) is further amended by redesignating clauses (6) and (7), as so redesignated in subparagraph (C), as clauses (8) and (9), respectively, and by inserting after clause (5), as so redesignated in subparagraph (C), the following new clauses:

"(6) to assess future national personnel needs, including the need for training of advocates, with respect to the elderly with special emphasis on the needs of elderly minority group individuals and the need for the training of minority group individuals to meet such needs,

"(7) to assist in paying the costs, in whole or in part, of special courses of training designed to meet the needs of service providers in rural areas,".

42 USC 3035. (b)(1)(A) Section 411 is amended by inserting "(a)" after the section designation.

(B) Section 411(a), as so redesignated in subparagraph (A), is amended by striking out "The" and inserting in lieu thereof "To support research efforts related to the implementation of this Act together with areas of concern relating to the living conditions of the elderly, the".

(2) Section 411 is further amended by adding at the end thereof the following new subsections:

Grants and contracts. "(b) In accordance with the purposes of this part, the Commissioner shall make grants to any public agency or nonprofit private organization or institution and contracts with any agency, organization, or institution or with an individual for the purpose of—

Study. "(1) conducting a study related to the problems experienced by State and area agencies on aging and other service providers in operating transportation services, with particular emphasis on the difficulties of continually rising insurance costs and restrictions being placed upon the operation of such services by insurance underwriters;

"(2) revising existing Federal transportation programs for older individuals to—

"(A) provide more coordinated and comprehensive services to such individuals;

"(B) eliminate unnecessary duplication among such programs;

"(C) eliminate disparities in eligibility requirements among Federal transportation programs for older individuals; and

"(D) study the possibility of transferring to a single administrative unit the responsibility for the administration of all Federal transportation programs for older individuals; and

"(3) conducting a study related to the differences in unit costs, service delivery, and access between rural areas and urban areas for services assisted under this Act and the special needs of the elderly residing in rural areas. Study.

"(c) Upon completion of the studies described in subsection (b), but not later than 2 years after the date of the enactment of the Comprehensive Older Americans Act Amendments of 1978, the Commissioner shall submit to the Congress and make available through the National Information and Resource Clearing House for the Aging the results of the studies, together with such recommendations as he deems necessary.". Submittal of study results to Congress.

(3) Section 412 is hereby repealed.

(c)(1) Title IV is amended— Repeal. 42 USC 3035a. 42 USC 3031. 42 USC 3036, 3037. 42 USC 3036, 3037, 3037a.

(A) by redesignating part C and part E as part D and part F, respectively;

(B) by redesignating sections 421, 431, and 432 of sections 441, 451, and 452, respectively; and

(C) by inserting after part B the following new parts:

"PART C—DISCRETIONARY PROJECTS AND PROGRAMS

"DEMONSTRATION PROJECTS

"SEC. 421. (a) The Commissioner may, after consultation with the State agency in the State involved, make grants to any public agency or nonprofit private organization or enter into contracts with any agency or organization within such State for paying part or all of the cost of developing or operating nationwide, statewide, regional, metropolitan area, county, city, or community model projects which will demonstrate methods to improve or expand social services or nutrition services or otherwise promote the well-being of older individuals. The Commissioner shall give special consideration to the funding of rural area agencies on aging to conduct model projects devoted to the special needs of the rural elderly. Such projects shall include alternative health care delivery systems, advocacy and outreach programs, and transportation services. Grants and contracts. 42 USC 3035b.

"(b) In making grants and contracts under this section, the Commissioner shall give special consideration to projects designed to—

"(1) assist in meeting the special housing needs of older individuals by— Housing assistance.

"(A) providing financial assistance to such individuals, who own their own homes, necessary to enable them to make the repairs or renovations to their homes, which are necessary for them to meet minimum standards;

"(B) studying and demonstrating methods of adapting existing housing, or construction of new housing, to meet the needs of older individuals suffering from physical disabilities; and

"(C) demonstrating alternative methods of relieving older individuals of the burden of real property taxes on their homes;

"(2) provide continuing education to older individuals designed Continuing education.

to enable them to lead more productive lives by broadening the educational, cultural, or social awareness of such older individuals, emphasizing, where possible, free tuition arrangements with colleges and universities;

Preretirement education information.

"(3) provide preretirement education information, and relevant services (including the training of personnel to carry out such programs and the conducting of research with respect to the development and operation of such programs) to individuals planning retirement;

Special services.

"(4) provide services to assist in meeting the particular needs of physically and mentally impaired older individuals, including special transportation and escort services, homemaker, home health and shopping services, reader services, letter writing services, and other services designed to assist such individuals in leading more independent lives;

"(5) meet the special needs of, and improve the delivery of services to, older individuals who are not receiving adequate services under other provisions of this Act, with emphasis on the needs of low-income, minority, Indian, and limited English-speaking individuals and the rural elderly;

"(6) assist older individuals to remain within their communities and out of institutions and to maintain their independent living, in their own residences or in a family living arrangement, by—

"(A) providing financial assistance for the establishment and operation of senior ambulatory care day centers (providing a planned schedule of health, therapeutic, education, nutrition, recreational, rehabilitation, and social services at least 24 hours per week, transportation arrangements at low or no cost for participants to and from the center, a mid-day meal, outreach and public information programs, and opportunities for maximum participation of senior participants and senior volunteers in the planning and operation of the center); and

"(B) maintaining or initiating arrangements (or providing reasonable assurances that such arrangements will be maintained or initiated) with any agency of the State involved which administers or supervises the administration of a State plan approved under titles XIX and XX of the Social Security Act, and with other appropriate social services agencies receiving, or reimbursed through, Federal financial assistance, for the payment of all or a part of the center's costs in providing services to eligible individuals;

Rural areas.

"(7) meet the special needs of older individuals residing in rural areas; or

"(8) develop or improve methods of coordinating all available social services for the homebound elderly, blind, and disabled by establishing demonstration projects in 10 States, in accordance with subsection (c).

Procedures.

"(c)(1) The Commissioner shall consult with the Commissioner of the Rehabilitation Services Administration, the Commissioner of the Social Security Administration, and the Surgeon General of the Public Health Service, to develop procedures for—

"(A) identifying elderly, blind, and disabled individuals who need social services;

"(B) compiling a list in each community of all services available to the elderly, blind, and disabled; and

"(C) establishing an information and referral service within the appropriate community agency to—

"(i) inform those in need of the availability of such services; and

"(ii) coordinate the delivery of such services to the elderly, blind, and disabled.

The Commissioner shall establish procedures for administering demonstration projects under subsection (b)(8) no later than 6 months after the effective date of this subsection. The Commissioner shall report to the Congress with respect to the results and findings of the demonstration projects at the end of fiscal year 1979. In such report, the Commissioner shall make such recommendation, based upon the findings, as may be appropriate to improve the delivery of social services to such elderly, blind, and disabled individuals.

Report to Congress.

"(2)(A) There are authorized to be appropriated for fiscal years 1979, 1980, and 1981, such sums as may be necessary for the purpose of implementing the demonstration projects under subsection (b)(8).

Appropriation authorization.

"(B) For the purpose of carrying out this subsection, there are authorized to be appropriated such sums as may be necessary for fiscal year 1979.

"SPECIAL PROJECTS IN COMPREHENSIVE LONG-TERM CARE

"SEC. 422. (a)(1) The Commissioner may make grants to selected State agencies designated under section 305(a)(1), and, in consultation with State agencies, selected area agencies on aging designated under section 305(a)(2)(A), institutions of higher education, and other public agencies and private nonprofit organizations, associations, and groups to support the development of comprehensive, coordinated systems of community long-term care for older individuals, with special emphasis upon—

Grants. 42 USC 3035c.

"(A) services designed to support alternatives to institutional living; and

"(B) the assessment of need, the development of a plan of care, and the referral of individuals, in the delivery of long-term care services, including non-institutional and institutional services, where appropriate.

"(2) A grant under this section may be made to pay part or all of the estimated cost of a program (including start-up cost) for a period of not more than 3 years, except that no funds may be used to pay for direct services which are eligible for reimbursement under title XVIII, title XIX, or title XX of the Social Security Act.

42 USC 1395, 1396, 1397.

"(3) A grant made under this section shall be used for the development of programs which provide a full continuum of services. Such services may include—

"(A) adult day health;

"(B) monitoring and evaluation of service effectiveness;

"(C) supported living in public and private nonprofit housing;

"(D) family respite services;

"(E) preventive health services;

"(F) home health, homemaker, and other rehabilitative and maintenance in-home services;

"(G) geriatric health maintenance organizations; and

"(H) other services which the Commissioner determines are appropriate, which were previously unavailable to the individuals to be served and which, at a minimum, provide for identification and assessment of the long-term care needs of older individuals, referral of such individuals to the appropriate services, and follow-up and evaluation of the continued appropriateness of such services with provision for re-referral as appropriate.

"(4) A grant under this section may be used to encourage the development of manpower training programs designed to further the purposes described in paragraph (3).

"(b)(1) In making grants to States under this section preference shall be given to applicants which demonstrate that—

"(A) adequate State standards have been developed to ensure the quality of services provided;

"(B) the State has made a commitment to carry out the program assisted under this section with the State agency responsible for the administration of title XIX of the Social Security Act or title XX of the Social Security Act, or both such agencies;

"(C) the State will develop plans to finance the comprehensive program assisted under this section; and

"(D) the State agency has a plan for statewide or designated regions of the State containing provisions designed to maximize access to older individuals for long-term care services.

Preference of applicants.

"(2) In awarding grants to agencies and organizations under this section, preference shall be given to applicants that—

"(A) possess the capability to establish community-based long-term care programs; and

"(B) demonstrate that a need exists for the establishment of such programs in the area to be served.

Program evaluation procedures.

"(3) Agencies and organizations assisted under this section shall establish procedures for evaluating the program assisted under this section, with respect to the benefits accruing to persons receiving assistance, the feasibility of the administrative model used for comprehensive coordination of services including coordination with other local programs, and the comparative costs and quality of services provided, and shall submit such evaluation to the Commissioner on a periodic basis.

Report to Congress.

"(c) The Secretary shall involve appropriate Federal departments and agencies in carrying out the provisions of this section in order to assure coordination at the Federal level and to avoid duplication and shall report to the Congress annually on the impact of grants made, on the experiences of grantees in meeting the requirements of this section, and on the comparative benefits and costs of projects assisted under this section.

"(d) Sums appropriated to carry out this section shall, to the extent feasible, be used to support programs equitably distributed throughout the Nation between urban and rural areas.

"SPECIAL DEMONSTRATION PROJECTS ON LEGAL SERVICES FOR OLDER AMERICANS

42 USC 3035d.

"SEC. 423. (a) The Commissioner may make grants to and enter into contracts with public and private nonprofit agencies or organizations in order to—

"(1) support legal research, technical assistance, training, information dissemination, and other support activities to agen-

cies, organizations, institutions, and private law firms that are providing, developing, or supporting pro bono or reduced-fee legal services to older individuals; and

"(2) support demonstration projects to expand or improve the delivery of legal services to older individuals with social or economic need.

"(b) Any grants or contracts entered into under subsection (a)(2) shall contain assurances that the requirements of section 307(a)(15) are met.

"(c) From the sums appropriated under section 451 for each fiscal year, not less than $5,000,000 shall be reserved to carry out the provisions of this section.

"NATIONAL IMPACT DEMONSTRATIONS

"SEC. 424. (a) The Commissioner may carry out directly or through grants or contracts— 42 USC 3035e.

"(1) innovation and development projects and activities of national significance which show promise of having substantial impact on the expansion or improvement of social services, nutrition services, or multipurpose senior centers or otherwise promoting the well-being of older individuals; and

"(2) dissemination of information activities related to such programs.

"(b) An amount not to exceed 15 percent of any sums appropriated under section 451 may be used for carrying out this section.

"UTILITY AND HOME HEATING COST DEMONSTRATION PROJECTS

"SEC. 425. The Secretary may, after consultation with the appropriate State agency designated under section 305(a)(1), make grants to pay for part or all of the costs of developing model projects which show promise of relieving older individuals of the excessive burdens of high utility service and home heating costs. Any such project shall give special consideration to projects under which a business concern engaged in providing home heating oil to the public, or a public utility, provides home heating oil or utility services to low-income older individuals at a cost which is substantially lower than providing home heating oil or utility services to other individuals. 42 USC 3035f.

"PART D—MORTGAGE INSURANCE AND INTEREST GRANTS FOR MULTIPURPOSE SENIOR CENTERS

"MORTGAGE INSURANCE AUTHORIZED

"SEC. 431. (a) It is the purpose of this part to assist and encourage the provision of urgently needed facilities for programs for the elderly. 42 USC 3035g.

"(b) For the purpose of this part the terms 'mortgage', 'mortgagor', 'mortgagee', 'maturity date', and 'State' shall have the meanings respectively set forth in section 207 of the National Housing Act. 12 USC 1713.

"(c) The Secretary of Health, Education, and Welfare is authorized to insure any mortgage (including advances on such mortgage during acquisition, alteration, renovation, or construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and make commitments for insurance of such mortgage prior to the date of its execution or disbursement thereon.

"(d) In order to carry out the purpose of this section, the Secretary

is authorized to insure any mortgage which covers a new multipurpose senior center, including equipment to be used in its operation, subject to the following conditions:

"(1) The mortgage shall be executed by a mortgagor, approved by the Secretary, who demonstrates ability successfully to operate one or more programs for the elderly. The Secretary may in his discretion require any such mortgagor to be regulated or restricted as to minimum charges and methods of financing, and in addition thereto, if the mortgagor is a corporate entity, as to capital structure and rate of return. As an aid to the regulation or restriction of any mortgagor with respect to any of the foregoing matters, the Secretary may make such contracts with and acquire for not to exceed $100 such stock interest in such mortgagor as he may deem necessary. Any stock or interest so purchased shall be paid for out of the Multipurpose Senior Center Insurance Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Secretary under the insurance.

"(2) The mortgage shall involve a principal obligation in an amount not to exceed $250,000 and not to exceed 90 percent of the estimated replacement cost of the property or project, including equipment to be used in the operation of the multipurpose senior center, when the proposed improvements are completed and the equipment is installed.

"(3) The mortgage shall—

"(A) provide for complete amortization by periodic payments within such term as the Secretary shall prescribe, and

"(B) bear interest (exclusive of premium charges for insurance and service charges, if any) at not to exceed such per centum per annum on the principal obligation outstanding at any time as the Secretary finds necessary to meet the mortgage market.

"(4) The Secretary shall not insure any mortgage under this section unless he has determined that the center to be covered by the mortgage will be in compliance with minimum standards to be prescribed by the Secretary.

"(5) In the plans for such multipurpose senior center, due consideration shall be given to excellence of architecture and design, and to the inclusion of works of art (not representing more than 1 percent of the cost of the project).

Mortgage insurance premium charges.

"(e) The Secretary shall fix and collect premium charges for the insurance of mortgages under this section which shall be payable annually in advance by the mortgagee, either in cash or in debentures of the Multipurpose Senior Center Insurance Fund issued at par plus accrued interest. In the case of any mortgage such charge shall not be less than an amount equivalent to one-fourth of 1 percent per annum nor more than an amount equivalent to 1 percent per annum of the amount of the principal obligation of the mortgage outstanding at any one time, without taking into account delinquent payments or prepayments. In addition to the premium charge provided for in this subsection, the Secretary is authorized to charge and collect such amounts as he may deem reasonable for the appraisal of a property or project during acquisition, alteration, or renovation; but such charges for appraisal and inspection shall not aggregate more than 1 percent of the original principal face amount of the mortgage.

"(f) The Secretary may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage

insured under this section upon such terms and conditions as he may prescribe.

"(g)(1) The Secretary shall have the same functions, powers, and duties (insofar as applicable) with respect to the insurance of mortgages under this section as the Secretary of Housing and Urban Development has with respect to the insurance of mortgages under title II of the National Housing Act. 12 USC 1707.

"(2) The provisions of subsections (e), (g), (h), (i), (j), (k), (l), and (n) of section 207 of the National Housing Act shall apply to mortgages insured under this section; except that, for the purposes of their application with respect to such mortgages, all references in such provisions to the General Insurance Fund shall be deemed to refer to the Multipurpose Senior Center Insurance Fund, and all references in such provisions to 'Secretary' shall be deemed to refer to the Secretary of Health, Education, and Welfare. 12 USC 1713.

"(h)(1) There is hereby created a Multipurpose Senior Center Insurance Fund which shall be used by the Secretary as a revolving fund for carrying out all the insurance provisions of this section. All mortgages insured under this section shall be insured under and be the obligation of the Multipurpose Senior Center Insurance Fund. Multipurpose Senior Center Insurance Fund.

"(2) The general expenses of the operations of the Department of Health, Education, and Welfare relating to mortgages insured under this section may be charged to the Multipurpose Senior Center Insurance Fund.

"(3) Moneys in the Multipurpose Senior Center Insurance Fund not needed for the current operations of the Department of Health, Education, and Welfare with respect to mortgages insured under this section shall be deposited with the Treasurer of the United States to the credit of such fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Secretary may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued as obligations of the Multipurpose Senior Center Insurance Fund. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

"(4) Premium charges, adjusted premium charges, and appraisal and other fees received on account of the insurance of any mortgage under this section, the receipts derived from property covered by such mortgages and from any claims, debts, contracts, property, and security assigned to the Secretary in connection therewith, and all earnings as the assets of the fund, shall be credited to the Multipurpose Senior Center Insurance Fund. The principal of, and interest paid and to be paid on, debentures which are the obligation of such fund, cash insurance payments and adjustments, and expenses incurred in the handling, management, renovation, and disposal of properties acquired or constructed in connection with mortgages insured under this section, shall be charged to such fund.

"(5) There are authorized to be appropriated to provide initial capital for the Multipurpose Senior Center Insurance Fund, and to assure the soundness of such fund thereafter, such sums as may be necessary.

"ANNUAL INTEREST GRANTS

"SEC. 432. (a) To assist nonprofit private agencies to reduce the cost of borrowing from other sources for the acquisition, alteration, 42 USC 3035h.

renovation, or construction of facilities for multipurpose senior centers, the Secretary may make annual interest grants to such agencies.

"(b) Annual interest grants under this section with respect to any facility shall be made over a fixed period not exceeding forty years, and provision for such grants shall be embodied in a contract guaranteeing their payment over such period. Each such grant shall be in an amount not greater than the difference between (1) the average annual debt service which would be required to be paid, during the life of the loan, on the amount borrowed from other sources for the acquisition, alteration, renovation, or construction of such facilities, and (2) the average annual debt service which the institution would have been required to pay, during the life of the loan, with respect to such amounts if the applicable interest rate were 3 percent per annum, except that the amount on which such grant is based shall be approved by the Secretary.

"(c)(1) There are hereby authorized to be appropriated to the Secretary such sums as may be necessary for payment of annual interest grants in accordance with this section.

Limitation. "(2) Contracts for annual interest grants under this section shall not be entered into in an aggregate amount greater than is authorized in appropriation Acts.

Limitation. "(d) Not more than 12½ per centum of the funds provided for in this section for grants may be used within any one State.".

(2) The heading of title IV is amended to read as follows:

"TITLE IV—TRAINING, RESEARCH, AND DISCRETIONARY PROJECTS AND PROGRAMS".

42 USC 3036. (d)(1) The first sentence of section 441, as so redesignated in subsection (c)(1), is amended by inserting before the period a comma and the following: "and gerontology centers of special emphasis (including health, income maintenance, housing, service delivery and utilization, preretirement and retirement, and long-term care and alternatives)".

(2) Section 441(1)(A), as so redesignated in subsection (c)(1), is amended by inserting before the comma the following: "in accordance with the national manpower policy as described in section 401".

(3) Section 441, as so redesignated in subsection (c)(1), is amended by striking out "and" at the end of clause (2), by striking out the period at the end of clause (3) and inserting in lieu thereof a semicolon and "and", and by adding at the end thereof the following new clause:

"(4) provides for making biennial reports to the Commissioner summarizing the training, research, and special demonstration efforts of the centers which shall then be made available through the National Information and Resource Clearing House for the Aging, where appropriate.".

42 USC 3037. (e)(1) Section 451, as so redesignated in subsection (c)(1)(B), is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 451. (a) Except as otherwise specifically provided in this title, there are authorized to be appropriated to carry out the provisions of this title such sums as may be necessary for each fiscal year ending prior to October 1, 1981.

"(b) No funds appropriated under this section—

"(1) may be transferred to any office or other authority of the Department of Health, Education, and Welfare which is not directly responsible to the Commissioner; or

"(2) may be used for any research program or activity which is not specifically authorized by this title.".

(2) Section 452, as so redesignated in subsection (c)(1), is amended by redesignating subsection (c) as subsection (d) and inserting after subsection (b) the following new subsection: 42 USC 3037a.

"(c) The Commissioner may make multicategorical grants or contracts under any or all sections of this title by making grants or contracts for the purpose of supporting extensive research and demonstration of particular areas of need.". Grants and contracts.

COMMUNITY SERVICE EMPLOYMENT

SEC. 105. (a) The Act is amended by redesignating title IX as title V, and by redesignating section 901 through section 908 as section 501 through section 508, respectively. 42 USC 3056. 42 USC 3001 note, 3056–3056f.

(b)(1) Section 502(b) is amended by adding at the end thereof the following new paragraphs:

"(3) The Secretary shall develop alternatives for innovative work modes and provide technical assistance in creating job opportunities through work sharing and other experimental methods to prime sponsors, labor organizations, groups representing business and industry and workers as well as to individual employers, where appropriate.

"(4) The Secretary may enter into an agreement with the Administrator of the Environmental Protection Agency to establish a Senior Environmental Employment Corps.". Senior Environmental Employment Agency.

(2) Section 502, as so redesignated in subsection (a), is amended by adding at the end thereof the following new subsections:

"(d)(1) Whenever a national organization or other program sponsor conducts a project within a State such organization or program sponsor shall submit to the State agency on aging a description of such project to be conducted in the State, including the location of the project, 30 days prior to undertaking the project, for review and comment according to guidelines the Secretary shall issue to assure efficient and effective coordination of programs under this title. Review.

"(2) The Secretary shall review on his own initiative or at the request of any public or private nonprofit agency or organization, or an agency of the State government, the distribution of programs under this title within the State including the distribution between urban and rural areas within the State. For each proposed reallocation of programs within a State, the Secretary shall give notice and opportunity for a hearing on the record by all interested individuals and make a written determination of his findings and decision. Notice and opportunity for hearing.

"(e) The Secretary, in addition to any other authority contained in this title, may enter into agreements designed to assure the transition of individuals employed in public service jobs under this title to employment opportunities with private business concerns. The Secretary, from amounts reserved under section 506(a)(1)(B) in any fiscal year, may pay all of the costs of any agreement entered into under the provisions of this subsection.". 42 USC 3056d.

(c)(1) Section 503(a), as so redesignated in subsection (a), is amended by striking out "304" each place it appears therein and inserting in lieu thereof "305". 42 USC 3056a.

42 USC 3056a.

(3) Section 503, as so redesignated in subsection (a), is amended by adding at the end thereof the following new subsection:

"(f) In carrying out the provisions of this title, the Secretary may fund and expand projects concerning the Senior Environmental Employment Corps and energy conservation from sums appropriated under section 508 for such fiscal year.".

42 USC 3056f.

42 USC 3056c.

(d) Section 505, as so redesignated in subsection (a), is amended by adding at the end thereof the following new subsection:

"(c) In administering projects under this title concerning the Senior Environmental Employment Corps and energy conservation, the Secretary shall consult with the Administrator of the Environmental Protection Agency and the Secretary of Energy and shall enter into an agreement with the Administrator and the Secretary of Energy to coordinate programs conducted by them with such projects.".

42 USC 3056d.

(e)(1) Section 506(a)(1), as so redesignated in subsection (a), is amended—

(A) by inserting "(A)" after "(1)" and by adding at the end thereof the following new subparagraph:

"(B) From sums appropriated under this title for each fiscal year after September 30, 1978, the Secretary may reserve an amount not to exceed one per centum of the amount appropriated in excess of the amount appropriated for fiscal year 1978 for the purpose of entering into agreements under section 502(e), relating to improved transition to private employment.";

(B) by striking out "From" and inserting in lieu thereof "Subject to the provisions of paragraph (2), from"; and

(C) by striking out "the fiscal year ending June 30, 1975" and inserting in lieu thereof "fiscal year 1978".

(2) Section 506(a), as so redesignated in subsection (a), is amended by redesignating paragraph (2) and paragraph (3) as paragraph (3) and paragraph (4), respectively, and by inserting after paragraph (1) the following new paragraph:

"(2) For each fiscal year in which the sums appropriated under this title exceed the amount appropriated for fiscal year 1978, the Secretary shall reserve not more than 45 per centum of such excess amount for the purpose described in paragraph (1). The remainder of such excess shall be allotted pursuant to paragraph (3).".

(3) Section 506(a)(3), as so redesignated in subsection (a) and in paragraph (2), is amended by striking out "908" and inserting in lieu thereof "508".

42 USC 3056e.

(f) Section 507(2), as so redesignated in subsection (a), is amended by inserting "(including any such individual whose income is not more than 125 per centum of the poverty guidelines established by the Bureau of Labor Statistics)" after "low income".

(g) Section 508, as so redesignated in subsection (a), is amended by striking out "and" the second place it appears therein, and by inserting before the period at the end thereof the following: ", $350,000,000 for the fiscal year ending September 30, 1979, $400,000,000 for the fiscal year ending September 30, 1980, and $450,000,000 for the fiscal year ending September 30, 1981".

GRANTS FOR INDIAN TRIBES

SEC. 106. The Act is amended by adding after title V the following new title:

"TITLE VI—GRANTS FOR INDIAN TRIBES

"STATEMENT OF PURPOSE

"SEC. 601. It is the purpose of this title to promote the delivery of social services, including nutritional services, for Indians that are comparable to services provided under title III. 42 USC 3057.

Ante, p. 1517.

"ELIGIBILITY

"SEC. 602. (a) A tribal organization of an Indian tribe is eligible for assistance under this title only if— 42 USC 3057a.

"(1) the tribal organization represents at least 75 individuals who have attained 60 years of age or older;

"(2) the tribal organization demonstrates the ability to deliver social services, including nutritional services; and

"(3) individuals to be served by the tribal organization will not receive for the year for which application under this title is made, services under title III.

"(b) The terms 'Indian tribe' and 'tribal organization' for the purposes of this title are defined as in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"GRANTS AUTHORIZED

"SEC. 603. The Commissioner may make grants to eligible tribal organizations to pay all of the costs for delivery of social services and nutritional services for Indians who are aged 60 and older. 42 USC 3057b.

"APPLICATIONS

"SEC. 604. (a) No grant may be made under this title unless the eligible tribal organization submits an application to the Commissioner which meets such criteria as the Commissioner may by regulation prescribe. Each such application shall— Approval criteria. 42 USC 3057c.

"(1) provide that the eligible tribal organization will evaluate the need for social and nutritional services among older Indians to be represented by the tribal organization;

"(2) provide for the use of such methods of administration as are necessary for the proper and efficient administration of the program to be assisted;

"(3) provide that the tribal organization will make such reports in such form and containing such information, as the Commissioner may reasonably require, and comply with such requirements as the Commissioner may impose to assure the correctness of such reports;

"(4) provide that a nonprofit private organization selected by the tribal organization will conduct periodic evaluation of activities and projects carried out under the application;

"(5) establish objectives consistent with the purposes of this title toward which activities under the application will be directed, identify obstacles to the attainment of such objectives, and indicate the manner in which the tribal organization proposes to overcome such obstacles;

"(6) provide for establishing and maintaining information and

referral services to assure that older Indians to be served by the assistance made available under this title will have reasonably convenient access to such services;

"(7) provide a preference for Indians aged 60 and older for full- or part-time staff positions wherever feasible;

"(8) provide assurances that either directly or by way of grant or contract with appropriate entities nutritional services will be delivered to older Indians represented by the tribal organization substantially in compliance with the provisions of part C of title III;

Ante, p. 1536.

Ante, p. 1524.

"(9) contain assurances that the provisions of sections 307(a)(14)(A) (i) and (iii), 307(a)(14)(B), and 307(a)(14)(C) will be complied with whenever the application contains provisions for the acquisition, alteration, or renovation of facilities to serve as multipurpose senior centers;

"(10) provide assurances that either directly or by way of grant or contract with appropriate entities legal and ombudsman services will be made available to older Indians represented by the tribal organization substantially in compliance with the provisions of title III relating to the furnishing of similar services; and

Ante, p. 1517.

"(11) provide satisfactory assurance that fiscal control and fund accounting procedures will be adopted as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid under this title to the tribal organization, including any funds paid by the tribal organization to a recipient of a grant or contract.

Population statistics development.

"(b) For the purpose of any application submitted under this title, the tribal organization may develop its own population statistics, with certification from the Bureau of Indian Affairs, in order to establish eligibility.

"(c) The Commissioner shall approve any application which complies with the provisions of subsection (a).

"(d) Whenever the Commissioner approves an application under this title he shall withhold from the allotment of the appropriate State made under section 304 an amount attributable to the Indians to be served under the application who were also counted for the purpose of allotments under title III. The Commissioner shall reallot sums withheld under this subsection in accordance with the provisions of section 304(b).

Ante, p. 1519.

"(e) Whenever the Commissioner determines not to approve an application submitted under subsection (a) he shall—

"(1) state his objections in writing to the tribal organization within 60 days after such decision;

"(2) provide to the extent practicable technical assistance to the tribal organization to overcome his stated objections; and

"(3) provide the tribal organization with a hearing, under such rules and regulations as he may prescribe.

"(f) Whenever the Commissioner approves an application of a tribal organization under this title, funds shall be awarded for not less than 12 months, during which time such tribal organization may not receive funds under title III.

"ADMINISTRATION

"SEC. 605. (a) In establishing regulations for the purpose of this title the Commissioner shall consult with the Secretary of the Interior. 42 USC 3057d.

"(b) The Commissioner shall prescribe final regulations for the administration of this title not later than 90 days after the date of the enactment of the Comprehensive Older Americans Act Amendments of 1978. Regulations.

"SURPLUS EDUCATIONAL FACILITIES

"SEC. 606. (a) Notwithstanding any other provision of law, the Secretary of the Interior through the Bureau of Indian Affairs shall make available surplus Indian educational facilities to tribal organizations, and nonprofit organizations with tribal approval, for use as multipurpose senior centers. Such centers may be altered so as to provide extended care facilities, community center facilities, nutritional services, child care services, and other social services. Available for use as multipurpose senior centers. 42 USC 3057e.

"(b) Each eligible tribal organization desiring to take advantage of such surplus facilities shall submit an application to the Secretary of the Interior at such time and in such manner, and containing or accompanied by such information, as the Secretary of the Interior determines to be necessary to carry out the provisions of this section.

"PAYMENTS

"SEC. 607. Payments may be made under this title (after necessary adjustments, in the case of grants, on account of previously made overpayments or underpayments) in advance or by way of reimbursement in such installments and on such conditions, as the Commissioner may determine. 42 USC 3057f.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 608. (a) Except as provided in subsection (c), there are authorized to be appropriated such sums as may be necessary for fiscal years 1979, 1980, and 1981, to carry out the provisions of this title. 42 USC 3057g.

"(b) For any fiscal year in which less than $5,000,000 is appropriated under subsection (a) tribal organizations are authorized to receive assistance in accordance with the provisions of title III.

"(c) There are authorized to be appropriated such sums as may be necessary for fiscal years 1979, 1980, and 1981, to carry out the provisions of section 606.". *Ante*, p. 1517.

TITLE II—WHITE HOUSE CONFERENCE ON AGING

1981 White House Conference on Aging Act.

SHORT TITLE

SEC. 201. This title may be cited as the "1981 White House Conference on Aging Act". 42 USC 3001 note.

FINDINGS AND POLICY

SEC. 202. (a) The Congress finds that— 42 USC 3001 note.

(1) the number of individuals fifty-five years of age or older was approximately 43,000,000 in 1976, and will, by the end of this century, be over 57,000,000;

(2) nearly 5,200,000 individuals fifty-five years of age or older had incomes below the poverty level in 1976, as determined by the Federal Government;

(3) there is a great need to improve the economic well-being of older individuals;

(4) there is a great need to make comprehensive and quality health care more readily available to older individuals;

(5) there is a great need for expanding the availability of suitable and reasonably priced housing for older individuals, together with services needed for independent or semi-independent living;

(6) there is a great need for a more comprehensive and effective social service delivery system for older individuals;

(7) there is a great need for a more comprehensive long-term care policy responsive to the needs of older patients and their families;

(8) there is a great need to promote greater employment opportunities for middle-aged and older individuals who want or need to work;

(9) there is a great need to develop a national retirement policy that contributes to the fulfillment, dignity, and satisfaction of retirement years for older individuals;

(10) there is a great need for a national policy with respect to increasing, coordinating, and expediting biomedical and other appropriate research directed at determining the causes of the aging process; and

(11) false stereotypes about aging and the process of aging are prevalent throughout the Nation and policies should be developed to overcome such stereotypes.

(b)(1) It is the policy of the Congress that the Federal Government should work jointly with the States and their citizens to develop recommendations and plans for action to meet the challenges and needs of older individuals, consistent with the objectives of this title.

(2) In developing programs for the aging pursuant to this title, emphasis should be placed upon the right and obligation of older individuals to free choice and self-help in planning their own futures.

AUTHORITY OF THE PRESIDENT AND SECRETARY; FINAL REPORT

White House Conference on Aging, 1981. 42 USC 3001 note.

SEC. 203. (a) The President may call a White House Conference on Aging in 1981 in order to develop recommendations for further research and action in the field of aging which will further the policies set forth in section 202. The Conference shall be planned and conducted under the direction of the Secretary in cooperation with the Commissioner on Aging and the Director of the National Institute on Aging, and the heads of such other Federal departments and agencies as are appropriate. Such assistance may include the assignment of personnel.

(b) For the purpose of arriving at facts and recommendations concerning the utilization of skills, experience, and energies and the improvement of the conditions of older individuals, the Conference shall bring together representatives of Federal, State, and local governments, professional and lay people who are working in the field of aging (including researchers on problems of the elderly and the process of aging), and representatives of the general public, including older individuals.

Report to President.

(c) A final report of the Conference, which shall include a statement of a comprehensive coherent national policy on aging together with

recommendations for the implementation of the policy, shall be submitted to the President not later than 180 days following the date on which the Conference is adjourned. The findings and recommendations included in the report shall be immediately available to the public. The Secretary shall, within 90 days after submission of the report, transmit to the President and to the Congress his recommendations for administrative action and the legislation necessary to implement the recommendations contained in the report.

Report to President and Congress.

ADMINISTRATION

SEC. 204. (a) In administering this title the Secretary shall— 42 USC 3001 note.

(1) request the cooperation and assistance of the heads of such other Federal departments and agencies as may be appropriate in carrying out the provisions of this title;

(2) render all reasonable assistance, including financial assistance, to State agencies on the aging and to area agencies on aging, and to other appropriate organizations to enable them to organize and conduct conferences on aging prior to the Conference;

(3) prepare and make available background materials for the use of delegates to the Conference which he deems necessary, and prepare and distribute any such report of the Conference as may be necessary and appropriate; and

(4) engage such additional personnel as may be necessary to carry out the provisions of this title without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. 5 USC 5101 *et seq.*, 5331.

(b) In carrying out his functions under clause (2) of subsection (a) the Secretary shall assure that conferences will be so conducted as to assure broad participation of older individuals.

(c) In carrying out his responsibilities under this title the Secretary shall assure that current and adequate statistical data and other information on the well-being of older individuals in the United States are readily available, in advance of the Conference, to participants in the Conference, together with such information as may be necessary to evaluate Federal programs and policies relating to aging. In carrying out the requirements of this subsection the Secretary may make grants to, and enter into contracts with, public agencies and nonprofit private organizations. Statistics and information availability. Grants and contracts.

ADVISORY COMMITTEES

SEC. 205. (a) The Secretary shall establish an advisory committee to the Conference which shall include representation from the Federal Council on Aging and other public agencies and private nonprofit organizations as appropriate. The Secretary shall establish such other committees, including technical committees, as may be necessary to assist in planning, conducting, and reviewing the Conference. Each such committee shall be composed of professional and public members and shall include individuals from low-income families and from minority groups. A majority of the public members of each such committee shall be 55 years of age or older. Establishment. 42 USC 3001 note. Membership.

(b) Appointed members of any such committee (other than any officers or employees of the Federal Government), while attending conferences or meetings of the committee or otherwise serving at the request of the Secretary, shall be entitled to receive compensation at Compensation.

a rate to be fixed by the Secretary but not to exceed the daily rate prescribed for GS-18 under section 5332 of title 5, United States Code (including travel time). While away from their homes or regular places of business, such members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized under section 5703 of such title for persons in Federal Government service employed intermittently.

5 USC 5703.

DEFINITIONS

42 USC 3001 note.

SEC. 206. For the purpose of this title—

Ante, p. 1520.

(1) The term "area agency on aging" means the agency designated under section 305(a)(2)(A) of the Older Americans Act of 1965.

(2) The term "State agency on aging" means the agency designated under 305(a)(1) of the Older Americans Act of 1965.

(3) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(4) The term "Conference" means the White House Conference on Aging authorized in section 203(a).

(5) The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands.

AUTHORIZATION OF APPROPRIATIONS

42 USC 3001 note.

SEC. 207. There are authorized to be appropriated such sums as may be necessary, for fiscal years 1979, 1980, and 1981, to carry out the provisions of this title.

TITLE III—STUDY OF RACIAL AND ETHNIC DISCRIMINATION IN PROGRAMS FOR OLDER AMERICANS

STUDY AUTHORIZED

42 USC 1975c note.

SEC. 301. (a) The Commission on Civil Rights shall (1) undertake a comprehensive study of discrimination based on race or ethnic background in any federally-assisted programs and activities which affect older individuals; and (2) identify with particularity any such federally-assisted program or activity in which evidence is found of individuals or organizations who are otherwise qualified being, on the basis of race or ethnic background, excluded from participation in, denied the benefits of, refused employment or contracts with, or subject to discrimination under, such program or activity.

Hearings.

(b) As part of the study required by this section, the Commission shall conduct public hearings to elicit the views of interested parties, including the heads of Federal departments and agencies, on issues relating to racial or ethnic discrimination in programs and activities affecting older individuals receiving Federal financial assistance, and particularly with respect to discrimination among potential participants in, or beneficiaries of, specific federally-assisted programs.

ADMINISTRATIVE PROVISIONS

Independently prepared analyses, research and studies.
42 USC 1975c note.

SEC. 302. (a)(1) The Commission may obtain, through grant or contract, analyses, research, and studies by independent experts of

issues relating to racial and ethnic discrimination in aging programs and activities and publish the results thereof.

(2) For purposes of the study required by section 301, the Commission may accept and utilize the services of voluntary or uncompensated personnel, without regard to the provisions of section 105(b) of the Civil Rights Act of 1957 (42 U.S.C. 1975(b)). Voluntary or uncompensated personnel, utilization. 42 USC 1975d.

(b) The head of each Federal department or agency shall cooperate in all respects with the Commission with respect to the study required by section 301, and shall provide to the Commission such data, reports, and documents in connection with the subject matter of such study as the Commission may request.

REPORTS

SEC. 303. (a) Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit a report of its findings and its recommendations for any statutory changes and administrative action, including suggested general regulations, to the Congress and to the President. The Commission shall provide a copy of its report to the head of each Federal department or agency with respect to which the Commission makes findings or recommendations. 42 USC 1975c note.

(b) Not later than 45 working days after receiving a copy of the report required by subsection (a), the head of each Federal department or agency with respect to which the Commission makes its recommendations or findings shall submit his comments and recommendations regarding such report to the President and to the appropriate committees of the Congress.

AUTHORIZATION OF APPROPRIATIONS

SEC. 304. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title. 42 USC 1975c note.

TITLE IV—AMENDMENTS TO OTHER LAWS

AMENDMENTS TO AGE DISCRIMINATION ACT OF 1975

SEC. 401. (a) Section 302 of the Age Discrimination Act of 1975 is amended by striking out "unreasonable". 42 USC 6101.

(b)(1) The last sentence of section 304(a)(4) of the Age Discrimination Act of 1975 is amended to read as follows: "Such regulations shall be consistent with the final general regulations issued by the Secretary, and shall not become effective until approved by the Secretary.". 42 USC 6103.

(2) Section 304(a)(5) of the Age Discrimination Act of 1975 is amended by striking out "January 1, 1979" and inserting in lieu thereof "July 1, 1979".

(c) Section 305 of the Age Discrimination Act of 1975 is amended by striking out subsection (e) and inserting in lieu thereof the following new subsections: 42 USC 6104.

"(e)(1) When any interested person brings an action in any United States district court for the district in which the defendant is found or transacts business to enjoin a violation of this Act by any program or activity receiving Federal financial assistance, such interested person shall give notice by registered mail not less than 30 days prior to the commencement of that action to the Secretary of Health, Education, and Welfare, the Attorney General of the United States, and the person against whom the action is directed. Such interested person may elect, by a demand for such relief in his complaint, to recover Notice of violations.

reasonable attorney's fees, in which case the court shall award the costs of suit, including a reasonable attorney's fee, to the prevailing plaintiff.

"(2) The notice referred to in paragraph (1) shall state the nature of the alleged violation, the relief to be requested, the court in which the action will be brought, and whether or not attorney's fees are being demanded in the event that the plaintiff prevails. No action described in paragraph (1) shall be brought (A) if at the time the action is brought the same alleged violation by the same defendant is the subject of a pending action in any court of the United States; or (B) if administrative remedies have not been exhausted.

"(f) With respect to actions brought for relief based on an alleged violation of the provisions of this title, administrative remedies shall be deemed exhausted upon the expiration of 180 days from the filing of an administrative complaint during which time the Federal department or agency makes no finding with regard to the complaint, or upon the day that the Federal department or agency issues a finding in favor of the recipient of financial assistance, whichever occurs first.".

42 USC 6104.

(d) Section 305(b) of the Age Discrimination Act of 1975 is amended by adding at the end thereof the following new sentence: "Whenever the head of any Federal department or agency who prescribes regulations under section 304 withholds funds pursuant to subsection (a), he may, in accordance with regulations he shall prescribe, disburse the funds so withheld directly to any public or nonprofit private organization or agency, or State or political subdivision thereof, which demonstrates the ability to achieve the goals of the Federal statute authorizing the program or activity while complying with regulations issued under section 304.".

42 USC 6106, 6107.

(e) The Age Discrimination Act of 1975 is amended by redesignating section 308 as section 309, and by inserting after section 307 the following new section:

"REPORTS

42 USC 6106a.

"SEC. 308. (a) Not later than December 31 of each year (beginning in 1979), the head of each Federal department or agency shall submit to the Secretary of Health, Education, and Welfare a report (1) describing in detail the steps taken during the preceding fiscal year by such department or agency to carry out the provisions of section 303; and (2) containing specific data about program participants or beneficiaries, by age, sufficient to permit analysis of how well the department or agency is carrying out the provisions of section 303.

"(b) Not later than March 31 of each year (beginning in 1980), the Secretary of Health, Education, and Welfare shall compile the reports made pursuant to subsection (a) and shall submit them to the Congress, together with an evaluation of the performance of each department or agency with respect to carrying out the provisions of section 303.".

AMENDMENTS TO DOMESTIC VOLUNTEER SERVICE ACT OF 1973

42 USC 5001.

SEC. 402. (a) Section 201 of the Domestic Volunteer Service Act of 1973 is amended—

(1) in subsections (a) and (c), by striking out "section 304 (a)(1)" and inserting in lieu thereof "section 305(a)(1)" and by striking out "section 3024(a)(1)" and inserting in lieu thereof "section 3025(a)(1)";

(2) in subsection (c), by striking out "sixty" and inserting in lieu thereof "forty-five"; and

(3) by inserting at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of law, volunteer service under this part shall not be deemed employment for any purpose which the Director finds is not fully consistent with the provisions and in furtherance of the purpose of this part.".

(b) Section 211 of the Domestic Volunteer Service Act of 1973 is amended by adding at the end thereof the following new subsections: 42 USC 5011.

"(e) The Director, in accordance with regulations he shall prescribe, may provide to persons serving as volunteers under this part, such allowances, stipends, and other support as he determines are necessary to carry out the purpose of this part. Any stipend or allowance provided under this subsection shall not be less than $2 per hour, except that (1) no increase in the stipend or allowance shall be made pursuant to this sentence unless the funds appropriated for carrying out this part are sufficient to maintain for the fiscal year in question a number of participants to serve under this part at least equal to the number of such participants serving during the preceding fiscal year, and (2) in the event that sufficient appropriations for any fiscal year are not available to increase any such stipend or allowance provided to $2 per hour, the Director shall increase the stipend or allowance to such amount as appropriations for such year permit consistent with clause (1) of this exception. Domestic Volunteer Service, allowances and stipends.

"(f) For the purposes of this part, the terms 'low-income person' and 'person of low income' mean (1) any person whose income is not more than 125 percent of the poverty line set forth in section 625 of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2971d); and (2) any person considered a poor or low-income person under section 421(4) of this Act, with special consideration for participation in projects under this part provided to persons described in clause (2).". "Low-income person" and "person of low income."

(c) Section 212(a) of the Domestic Volunteer Service Act of 1973 is amended by striking out paragraphs (2) and (3) and inserting in lieu thereof the following new paragraph: 42 USC 5012.

"(2)(A) The Director shall award a grant or contract under this part for a project to be carried out over an area in a State more comprehensive than one community, to the State agency established or designated pursuant to section 305(a)(1) of the Older Americans Act of 1965, as amended (42 U.S.C. 3025(a)(1)), unless (i) the State has not established or designated such an agency; or (ii) such agency has been afforded at least 45 days to (I) review the project application made by a prospective grantee or contractor other than such agency for a project to be carried out in such State; and (II) make recommendations thereon. In the event that such an established or designated State agency is not awarded the grant or contract, any application approved for a project in such State shall contain or be supported by satisfactory assurances that the project has been developed, and will, to the extent feasible, be conducted, in consultation with, or with the participation of, such agency. Grants and contracts.

"(B) The Director shall award a grant or contract under this part for a project to be carried out entirely in a community served by a community action agency, to such agency unless such agency and the State agency established or designated pursuant to section 305(a)(1) of the Older Americans Act of 1965, as amended (42 U.S.C. 3025 (a)(1)) have been afforded at least 45 days to (i) review the proj-

ect application made by a prospective grantee or contractor other than either such agency for a project to be carried out in such community; and (ii) make recommendations thereon. In the event that such a community action agency or such an established or designated State agency is not awarded the grant or contract, any application approved for a project to be carried out entirely in such community shall contain or be supported by satisfactory assurances that the project has been developed, and will, to the extent feasible, be conducted, in consultation with, or with the participation of, such community action agency.".

42 USC 5082. (d) Section 502 of the Domestic Volunteer Service Act of 1973 is amended—

(1) in subsection (a), by striking out "and" after "September 30, 1976", and by inserting "$25,000,000 for the fiscal year ending September 30, 1979, $30,000,000 for the fiscal year ending September 30, 1980, and $35,000,000 for the fiscal year ending September 30, 1981," after "September 30, 1978,"; and

(2) in subsection (b)(2), by adding at the end thereof the following new sentence: "There are further authorized to be appropriated $55,000,000 for the fiscal year ending September 30, 1979, $62,500,000 for the fiscal year ending September 30, 1980, and $70,000,000 for the fiscal year ending September 30, 1981, for the purpose of carrying out programs under part B of such title.".

TITLE V—MISCELLANEOUS PROVISIONS

REPEALERS; EXISTING PROJECTS

42 USC 3056 note. 42 USC 3041-3041f, 3042, 3045-3045i. *Ante*, p. 1547.

SEC. 501. (a) Effective at the close of September 30, 1978, title V and title VII are repealed. The Commissioner on Aging may complete any project which was undertaken under either such title, or under title V, as so redesignated in section 105(a), before such date, and which is unfinished on such date, with funds obligated but unexpended on such date.

42 USC 3045 note. *Ante*, p. 1536. *Ante*, p. 1517.

(b) Any project receiving funds under title VII of the Older Americans Act of 1965, as in effect on the day before the effective date of this Act, shall continue to receive funds under part C of title III of such Act, as amended by this Act, if such project meets the requirements and criteria established in such title III, as amended by this Act, except that a State, pursuant to regulations prescribed by the Commissioner on Aging, shall not discontinue the payment of such funds to a project unless such State, after a hearing (if requested by the person responsible for administering such project), determines that such project has not carried out activities supported by such funds with demonstrated effectiveness.

LIMITATIONS ON PAYMENTS

SEC. 502. No authorization of appropriations in this Act shall be effective for any fiscal year beginning before October 1, 1978. Notwithstanding any other provision of this Act, no payment under this Act, or authorization to make payments or to enter into contracts under this Act, shall be effective except to such extent, or in such amounts, as are provided in advance in appropriations Acts.

CONFORMING AND TECHNICAL AMENDMENTS

SEC. 503. (a)(1) Section 102(1) is amended by inserting ", other than for purposes of title V" before the period at the end thereof. 42 USC 3002.

(2) Section 102 is amended by redesignating paragraph (4), the second place it appears therein, as paragraph (5), and by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively.

(b)(1) Section 201(a) is amended by striking out "VI and as otherwise specifically provided by the Older Americans Comprehensive Services Amendments of 1973" and inserting in lieu thereof "V". 42 USC 3011.

(2) Section 202(a)(15), as so redesignated in section 102(b)(1), is amended by inserting after "Discrimination" the following: "in Employment". 42 USC 3012.

(3) Section 205(d)(3) is amended by striking out "and" at the end thereof. 42 USC 3015.

(4)(A) Sections 202, 204, and 205 are amended by striking out "older persons" each place it appears therein and inserting in lieu thereof "older individuals". 42 USC 3012, 3014, 3015.

(B) Section 202(a)(12), as so redesignated in section 102(b)(1), is amended by striking out "such persons" and inserting in lieu thereof "such individuals".

(c)(1) Section 404(a)(6), as so redesignated in section 104(a)(4)(C), is amended by striking out "curricula" the second place it appears therein and inserting in lieu thereof "curriculum". 42 USC 3034.

(2) Section 404(b) is amended by striking out "federally supported" and inserting in lieu thereof "federally-supported".

(3) Sections 404 and 411 are amended by striking out "older persons" each place it appears therein and inserting in lieu thereof "older individuals". 42 USC 3034, 3035.

(d) Section 504(b), as so redesignated in section 105(a), is amended by striking out the comma after "contract" the second place it appears therein. 42 USC 3056b.

EFFECTIVE DATE

SEC. 504. This Act, and the amendments made by this Act, shall take effect at the close of September 30, 1978. 42 USC 3001 note.

Approved October 18, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-1150 (Comm. on Education and Labor) and No. 95-1618 (Comm. of Conference).

SENATE REPORTS: No. 95-855 accompanying S. 2850 (Comm. on Human Resources) and No. 95-1236 (Comm. of Conference).

CONGRESSIONAL RECORD, Vol. 124 (1978):

May 15, considered and passed House.

July 24, considered and passed Senate, amended, in lieu of S. 2850.

Oct. 4, House agreed to conference report.

Oct. 6, Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 42:

Oct. 18, Presidential statement.

Public Law 95-479
95th Congress

An Act

Oct. 18, 1978
[H.R. 11886]

To amend title 38, United States Code, to provide increases in the rates of disability and dependency and indemnity compensation for disabled veterans and their survivors, to provide for the payment of benefits to surviving spouses and children of certain totally disabled service-connected disabled veterans, to increase the amounts paid for funeral and burial expenses of deceased veterans, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Veterans' Disability Compensation and Survivors' Benefits Act of 1978".

Veterans' Disability Compensation and Survivors' Benefits Act of 1978.
38 USC 101 note.

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—VETERANS' DISABILITY COMPENSATION BENEFITS

RATES OF DISABILITY COMPENSATION

38 USC 314.

SEC. 101. (a) Section 314 is amended—

(1) by striking out "$41" in subsection (a) and inserting in lieu thereof "$44";

(2) by striking out "$75" in subsection (b) and inserting in lieu thereof "$80";

(3) by striking out "$113" in subsection (c) and inserting in lieu thereof "$121";

(4) by striking out "$155" in subsection (d) and inserting in lieu thereof "$166";

(5) by striking out "$216" in subsection (e) and inserting in lieu thereof "$232";

(6) by striking out "$272" in subsection (f) and inserting in lieu thereof "$292";

(7) by striking out "$322" in subsection (g) and inserting in lieu thereof "$346";

(8) by striking out "$373" in subsection (h) and inserting in lieu thereof "$400";

(9) by striking out "$419" in subsection (i) and inserting in lieu thereof "$450";

(10) by striking out "754" in subsection (j) and inserting in lieu thereof "$809";

(11) by striking out "$937" and "$1,312" in subsection (k) and inserting in lieu thereof "$1,005" and "$1,408", respectively;

(12) by striking out "$937" in subsection (l) and inserting in lieu thereof "$1,005";

(13) by striking out "$1,032" in subsection (m) and inserting in lieu thereof "$1,107";

(14) by striking out "$1,172" in subsection (n) and inserting in lieu thereof "$1,258";

(15) by striking out "$1,312" each place it appears in subsections (o) and (p) and inserting in lieu thereof "$1,408"; and

(16) by striking out "$843" in subsection (s) and inserting in lieu thereof "$905".

(b) Subsection (p) of section 314 (as amended by clause (15) of subsection (a) of this section) is further amended by inserting before the semicolon a period and the following new sentence: "In the event the veteran has suffered the anatomical loss or loss of use, or a combination of anatomical loss and loss of use, of three extremities, the Administrator shall allow the next higher rate or intermediate rate, but in no event in excess of $1,408". 38 USC 314.

(c) Section 314(r) is amended by striking out the first sentence and inserting in lieu thereof the following new sentences: "Subject to section 3203(e) of this title, if any veteran, otherwise entitled to the compensation authorized under subsection (o) of this section or at the maximum rate authorized under subsection (p) of this section, is in need of regular aid and attendance, then, in addition to such compensation under subsection (o) or (p) of this section— 38 USC 3203.

"(1) the veteran shall be paid a monthly aid and attendance allowance at the rate of $604; or

"(2) if the veteran, in addition to such need for regular aid and attendance, is in need of a higher level of care, such veteran shall be paid a monthly aid and attendance allowance at the rate of $900, in lieu of the allowance authorized in clause (1) of this subsection, if the Administrator finds that the veteran, in the absence of the provision of such care, would require hospitalization, nursing home care, or other residential institutional care.

For the purposes of clause (2) of this subsection, need for a higher level of care shall be considered to be need for personal health-care services provided on a daily basis in the veteran's home by a person who is licensed to provide such services or who provides such services under the regular supervision of a licensed health-care professional. The existence of the need for such care shall be determined by a physician employed by the Veterans' Administration or, in areas where no such physician is available, by a physican carrying out such function under contract or fee arrangement based on an examination by such physician.".

(d) Section 314 is amended by adding at the end thereof the following new subsection: 38 USC 314.

"(t)(1) If the veteran (A) is entitled to receive compensation at any rate provided for under subsections (a) through (i) of this section and compensation under subsection (k) of this section, (B) has suffered the loss or loss of use of an extremity as a result of a service-connected disability ratable at 40 per centum or more, and (C) has suffered the loss or loss of use of the paired extremity as a result of a non-service-connected disability, not the result of the veteran's own willful misconduct, that would be rated, if service-connected, at 40 per centum or more, the monthly rate of compensation payable to such veteran shall be increased by $175.

"(2) If a veteran described in paragraph (1) of this subsection receives any money or property of value pursuant to an award in a judicial proceeding based upon, or a settlement or compromise of, any cause of action for damages for the non-service-connected disability described in such paragraph, the increase in the rate

of compensation otherwise payable under this subsection shall not be paid for any month following a month in which any such money or property is received until such time as the total of the amount of such increase that would otherwise have been payable equals the total of the amount of any such money received and the fair market value of any such property received.".

Rates of compensation.
38 USC 314 note.
38 USC prec. 101 note.
38 USC 301 *et seq.*

(e) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by the amendments made by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

RATES OF ADDITIONAL COMPENSATION FOR DEPENDENTS

38 USC 315.

SEC. 102. (a) Section 315(1) is amended—

(1) by striking out "$46" in clause (A) and inserting in lieu thereof "$49";

(2) by striking out "$77" in clause (B) and inserting in lieu thereof "83";

(3) by striking out "$98" in clause (C) and inserting in lieu thereof "$110";

(4) by striking out "$120" and "$22" in clause (D) and inserting in lieu thereof "$137" and "$27", respectively;

(5) by striking out "$30" in clause (E) and inserting in lieu thereof "$34";

(6) by striking out "$52" in clause (F) and inserting in lieu thereof "$61";

(7) by striking out "$77" and "$22" in clause (G) and inserting in lieu thereof "$88" and "$27", respectively;

(8) by striking out "$37" in clause (H) and inserting in lieu thereof "$40";

(9) by striking out "$83" in clause (I) and inserting in lieu thereof "$89"; and

(10) by striking out "$70" in clause (J) and inserting in lieu thereof "$75".

(b) Section 315 is further amended by striking out "50 per centum" in the matter preceding paragraph (1) and in paragraph (2) and inserting in lieu thereof "30 per centum".

CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS

38 USC 362.

SEC. 103. Section 362 is amended by striking out "$203" and inserting in lieu thereof "$218".

TITLE II—SURVIVORS' DEPENDENCY AND INDEMNITY COMPENSATION BENEFITS

RATES OF DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES

38 USC 411.

SEC. 201. (a) Subsection (a) of section 411 is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a surviving spouse, based on the pay grade of the persons upon whose

death entitlement is predicated, at monthly rates set forth in the following table:

"Pay grade:	Monthly rate	"Pay grade:	Monthly rate
E-1	$297	W-4	$426
E-2	307	O-1	376
E-3	314	O-2	388
E-4	334	O-3	416
E-5	343	O-4	439
E-6	351	O-5	484
E-7	368	O-6	544
E-8	388	O-7	590
E-9	[1] 406	O-8	646
W-1	376	O-9	694
W-2	391	O-10	[2] 760
W-3	402		

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $437.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force or Commandant of the Marine Corps, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $814.".

(b) Subsection (b) of such section is amended by striking out "$33" and inserting in lieu thereof "$35".

(c) Subsection (c) of such section is amended by striking out "$83" and inserting in lieu thereof "$89".

(d) Such section is further amended by adding at the end thereof the following new subsection:

"(d) The monthly rate of dependency and indemnity compensation payable to a surviving spouse shall be increased by $45 if the surviving spouse is, by reason of disability, permanently housebound but does not qualify for the aid and attendance allowance under subsection (c) of this section. For the purposes of this subsection, the requirement of 'permanently housebound' will be considered to have been met when the surviving spouse is substantially confined to such surviving spouse's home (ward or clinical areas, if institutionalized) or immediate premises by reason of a disability or disabilities which it is reasonably certain will remain throughout such surviving spouse's lifetime.".

RATES OF DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 202. Section 413 is amended— 38 USC 413.

(1) by striking out "$140" in clause (1) and inserting in lieu thereof "$150";

(2) by striking out "$201" in clause (2) and inserting in lieu thereof "$216";

(3) by striking out "$259" in clause (3) and inserting in lieu thereof "$278"; and

(4) by striking out "$259" and "$52" in clause (4) and inserting in lieu thereof "$278" and "$56", respectively.

RATES OF SUPPLEMENTAL DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 203. Section 414 is amended— 38 USC 414.

(1) by striking out "$83" in subsection (a) and inserting in lieu thereof "$89";

(2) by striking out "$140" in subsection (b) and inserting in lieu thereof "$150"; and

(3) by striking out "$71" in subsection (c) and inserting in lieu thereof "$76".

BENEFITS FOR SURVIVING SPOUSES AND CHILDREN OF CERTAIN TOTALLY DISABLED VETERANS

38 USC 410.

SEC. 204. Section 410 is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection (b):

"(b)(1) Notwithstanding the provisions of subsection (a) of this section, when any veteran dies, not as the result of the veteran's own willful misconduct, if the veteran was in receipt of (or but for the receipt of retired or retirement pay was entitled to receive) compensation at the time of death for a service-connected disability that either (A) was continuously rated totally disabling for a period of ten or more years immediately preceding death, or (B) if so rated for a lesser period, was so rated continuously for a period of not less than five years from the date of such veteran's discharge or other release from active duty, the Administrator shall pay benefits under this chapter to the veteran's surviving spouse, if such surviving spouse was married to such veteran for not less than two years immediately preceding such veteran's death, and to such veteran's children, in the same manner as if the veteran's death were service connected.

"(2) If a surviving spouse or a child receives any money or property of value pursuant to an award in a judicial proceeding based upon, or a settlement or compromise of, any cause of action for damages for the death of a veteran described in paragraph (1) of this subsection, benefits under this chapter payable to such surviving spouse or child by virtue of this subsection shall not be paid for any month following a month in which any such money or property is received until such time as the total amount of such benefits that would otherwise have been payable equals the total of the amount of the money received and the fair market value of the property received.

"(3) For purposes of sections 1448(d) and 1450(c) of title 10, eligibility for benefits under this chapter by virtue of this subsection shall be deemed eligibility for dependency and indemnity compensation under section 411(a) of this title.".

38 USC 411.

TITLE III—MISCELLANEOUS PROVISIONS

NONTAXABLE STATUS OF CERTAIN RETIRED PAY RECEIVED IN LIEU OF VETERANS' BENEFITS

38 USC 3101.

SEC. 301. Section 3101 is amended by adding at the end thereof the following new subsection:

"(d) In the case of a person who—

"(1) has been determined to be eligible to receive pension or compensation under laws administered by the Veterans' Administration but for the receipt by such person of pay pursuant to any provision of law providing retired or retirement pay to members or former members of the Armed Forces or commissioned officers of the National Oceanic and Atmospheric Administration or of the Public Health Service; and

"(2) files a waiver of such pay in accordance with section 3105 of this title in the amount of such pension or compensation before the end of the one-year period beginning on the date such person is notified by the Veterans' Administration of such person's eligibility for such pension or compensation.

the retired or retirement pay of such person shall be exempt from taxation, as provided in subsection (a) of this section, in an amount equal to the amount of pension or compensation which would have been paid to such person but for the receipt by such person of such pay.".

RATE OF SPECIAL PENSION FOR MEDAL OF HONOR RECIPIENTS

SEC. 302. Section 562(a) is amended by striking out "$100" and inserting in lieu thereof "$200". 38 USC 562.

BURIAL BENEFITS

SEC. 303. (a) Section 902(a) and section 903(a)(1) are amended by striking out "$250" and inserting in lieu thereof "$300". 38 USC 902, 903.

(b) Section 906(b) is amended by striking out "dying in the service, and". 38 USC 906.

(c) The first sentence of section 907 is amended by inserting "the greater of (1) $1,100, or (2)" after "not exceeding". 38 USC 907.

AUTOMOBILE ALLOWANCE FOR CERTAIN DISABLED VETERANS

SEC. 304. Section 1902(a) is amended by striking out "$3,300" and inserting in lieu thereof "$3,800". 38 USC 1902.

STUDY OF HEALTH-CARE AND COMPENSATION NEEDS OF FORMER PRISONERS OF WAR

SEC. 305. (a) The Administrator of Veterans' Affairs, in consultation with the Secretary of Defense, shall carry out a comprehensive study of the disability compensation awarded to, and the health-care needs of, veterans who are former prisoners of war. The Administrator shall include in such study— 38 USC 301 note.

(1) descriptions and analyses of the repatriation procedures, including physical examinations, for former prisoners of war and the adequacy of such procedures and the resultant medical records of former prisoners of war;

(2) the types and severity of disabilities that are particularly prevalent among former prisoners of war in various theaters of operation at various times;

(3) a description and analysis of procedures used with respect to former prisoners of war in determining eligibility for health-care benefits and in adjudicating claims for disability compensation, including an analysis of the current use of statutory and regulatory provisions specifically relating to former prisoners of war; and

(4) a survey and analysis of the medical literature on the health-related problems of former prisoners of war.

"(b) The Administrator shall transmit to the Congress and to the President a report on the results of such study not later than February 1, 1980. Such report shall include recommendations for such administrative and legislative action as the Administrator considers Report to Congress and President.

may be necessary to assure that former prisoners of war receive compensation and health-care benefits for all disabilities which may reasonably be attributed to their internment.

REQUIREMENT OF UNITED STATES CITIZENSHIP FOR SUPERINTENDENTS AND ASSISTANT SUPERINTENDENTS OF CEMETERIES OPERATED BY THE AMERICAN BATTLE MONUMENTS COMMISSION

SEC. 306. The third paragraph of the first section of the Act entitled "An Act for the creation of an American Battle Monuments Commission to erect suitable memorials commemorating the services of the American soldier in Europe, and for other purposes", approved March 4, 1923 (36 U.S.C. 121), is amended by adding after the last sentence thereof the following new sentence: "No individual may be employed as the superintendent, or as an assistant superintendent, of a cemetery operated by the Commission unless such individual is a citizen of the United States.".

MEMORIAL TO HONOR VETERANS OF THE VIETNAM CONFLICT IN MEMORIAL AMPHITHEATER OF ARLINGTON NATIONAL CEMETERY

24 USC 295a note.

SEC. 307. The Secretary of Defense shall have placed in the Trophy Hall of the Memorial Amphitheater at Arlington National Cemetery a memorial plaque which shall bear the following inscription: "The people of the United States of America pay tribute to those members of the Armed Forces of the United States who served honorably in Southeast Asia during the Vietnam conflict.". To further honor those members of the Armed Forces who lost their lives in hostile action in Southeast Asia during the Vietnam conflict, the Secretary of Defense shall have placed near such plaque in a suitable repository a display of the Purple Heart Medal and other medals, ribbons, and decorations associated with service in Southeast Asia during the Vietnam conflict.

TITLE IV—EFFECTIVE DATES

38 USC 314 note.

SEC. 401. (a) Except as provided in subsection (b), the amendments made by this Act shall take effect on October 1, 1978.

(b) The amendment made by section 302 shall take effect on January 1, 1979.

Approved October 18, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1226 (Comm. on Veterans' Affairs).
SENATE REPORT No. 95-1054 accompanying S. 2828 (Comm. on Veterans' Affairs).
CONGRESSIONAL RECORD, Vol. 124 (1978):
June 28, considered and passed House.
Aug. 7, considered and passed Senate, amended in lieu of S. 2828.
Sept. 26, House concurred in Senate amendments with amendments.
Oct. 2, Senate agreed to House amendments.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 42:
Oct. 18, Presidential statement.

Public Law 95-480
95th Congress

An Act

Making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1979, and for other purposes.

Oct. 18, 1978
[H.R. 12929]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Labor, and Health, Education, and Welfare, and related agencies for the fiscal year ending September 30, 1979, and for other purposes, namely:

Departments of Labor and Health, Education, and Welfare Appropriations Act, 1979.

TITLE I—DEPARTMENT OF LABOR

Employment and Training Administration

Department of Labor Appropriation Act, 1979.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

For payments during the current fiscal year of benefits and allowances to unemployed Federal employees and ex-servicemen, as authorized by title 5, chapter 85 of the United States Code, of benefits and payments as authorized by title II of Public Law 95-250, of trade adjustment benefit payments and allowances, as provided by law (19 U.S.C. 1941-1944 and 1952; part I, subchapter B, chapter 2, title II of the Trade Act of 1974), and for reimbursement to States for unemployment benefits paid on the basis of public service employment as authorized by title II of the Emergency Jobs and Unemployment Assistance Act of 1974, as amended, and for reimbursements as authorized by Section 121 of P.L. 94-566, $950,000,000, together with such amounts as may be necessary to be charged to the subsequent appropriation for payments for any period subsequent to September 15 of the current year: *Provided*, That, in addition, there shall be transferred from the Postal Service Fund to this appropriation such sums as the Secretary of Labor determines to be the cost of benefits for ex-Postal Service employees: *Provided further*, That amounts received during the current fiscal year from the Postal Service or recovered from the States pursuant to 5 U.S.C. 8505(d) shall be available for such payments during the year: *Provided further*, That amounts received or recovered pursuant to section 208(e) of Public Law 95-250 shall be available for payments.

5 USC 8501 *et seq.*

Ante, p. 172.

19 USC 2291.

26 USC 3304 note.

Ante, p. 180.

GRANTS TO STATES FOR UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICES

For grants for activities authorized by the Act of June 6, 1933, as amended (29 U.S.C. 49-49n; 39 U.S.C. 3202(a)(1)(E)); Veterans' Employment and Readjustment Act of 1972, as amended (38 U.S.C. 2001-2013); title III of the Social Security Act, as amended (42 U.S.C. 501-503); sections 312 (e) and (g) of the Comprehensive Employment and Training Act of 1973, as amended; and necessary administrative expenses for carrying out 5 U.S.C. 8501-8523, 19 U.S.C. 1941-1944, 1952, and chapter 2, title II, of the Trade Act of 1974,

29 USC 882.

19 USC 2271.

including, upon the request of any State, the payment of rental for space made available to such State in lieu of grants for such purpose, $21,600,000, together with not to exceed $1,693,600,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund, and of which $234,145,000 shall be available only to the extent necessary to meet increased costs of administration resulting from changes in a State law or increases in the number of unemployment insurance claims filed and claims paid or increased salary costs resulting from changes in State salary compensation plans embracing employees of the State generally over those upon which the State's basic grant was based, which cannot be provided for by normal budgetary adjustments: *Provided*, That any portion of the funds granted to a State in the current fiscal year and not obligated by the State in that year shall be returned to the Treasury and credited to the account from which derived.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND AND OTHER FUNDS

42 USC 29[illegible].

For repayable advances to the Unemployment Trust Fund as authorized by sections 905(d) and 1203 of the Social Security Act, as amended, and to the Black Lung Disability Trust Fund as authorized by subsection b(2) of section 3 of the Black Lung Benefits Revenue Act of 1977, and for non-repayable advances to the "Federal unemployment benefits and allowances" account, to remain available until September 30, 1980, $200,000,000.

Ante, p. 12.

LABOR-MANAGEMENT SERVICES ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Labor-Management Services Administration, $59,754,000.

PENSION BENEFIT GUARANTY CORPORATION

The Pension Benefit Guaranty Corporation is authorized to make such expenditures within limits of funds and borrowing authority available to such corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 849), as may be necessary in carrying out the program through September 30, 1979 for such corporation.

EMPLOYMENT STANDARDS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Employment Standards Administration, including reimbursement to State, Federal and local agencies and their employees for inspection services rendered, $120,444,000 together with $320,000 which may be expended from the Special Fund in accordance with sections 39(c) and 44(j) of the Longshoremen's and Harbor Workers' Compensation Act.

33 USC 939, 944.

SPECIAL BENEFITS

For the payment of compensation, benefits, and expenses (except administrative expenses) accruing during the current or any prior fiscal year authorized by title V, chapter 81 of the United States Code; continuation of benefits as provided for under the head "Civilian War Benefits" in the Federal Security Agency Appropriation Act, 1947; the Employees' Compensation Commission Appropriation Act, 1944; and sections 4(c) and 5(f) of the War Claims Act of 1948 (50 U.S.C. App. 2012); and fifty per centum of the additional compensation and benefits required by section 10(h) of the Longshoremen's and Harbor Workers' Compensation Act, as amended, $231,200,000, together with such amount as may be necessary to be charged to the subsequent year appropriation for the payment of compensation and other benefits for any period subsequent to September 15 of the current year: *Provided*, That in addition there shall be transferred from the Postal Service fund to this appropriation such sums as the Secretary of Labor determines to be the cost of administration for Postal Service employees through September 30, 1979.

5 USC 8101 *et seq.*
60 Stat. 696.
57 Stat. 513.
33 USC 910.

BLACK LUNG DISABILITY TRUST FUND

For payments from the Black Lung Disability Trust Fund, $422,265,000, of which $389,400,000 shall be available for payments of all benefits and interest on advances under subsection (b)(2) of section 3 of the Black Lung Benefits Revenue Act of 1977, as authorized by section 424(a)(1), (2), and (4) of the Black Lung Benefits Act, as amended, and of which $24,555,000 shall be available for transfer to Employment Standards Administration, Salaries and Expenses and $8,310,000 for transfer to Departmental Management, Salaries and Expenses for expenses of operation and administration of the Black Lung Benefits program as authorized by section 424(a)(5) of the Black Lung Benefits Act, as amended: *Provided*, That in addition, such amounts as may be necessary may be charged to the subsequent year appropriation for the payment of compensation and other benefits for any period subsequent to June 15 of the current year.

Ante, pp. 12, 13.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Occupational Safety and Health Administration, $171,224,000: *Provided*, That none of the funds appropriated under this paragraph shall be obligated or expended for the assessment of civil penalties issued for first instance violations of any standard, rule, or regulation promulgated under the Occupational Safety and Health Act of 1970 (other than serious, willful, or repeated violations under section 17 of the Act) resulting from the inspection of any establishment or workplace subject to the Act, unless such establishment or workplace is cited, on the basis of such inspection, for 10 or more violations: *Provided further*, That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 which is applicable to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs 10 or

29 USC 651 note.
29 USC 666.

fewer employees: *Provided further*, That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, order or administrative action under the Occupational Safety and Health Act of 1970 affecting any work activity by reason of recreational hunting, shooting, or fishing: *Provided further*, That none of the funds appropriated under this paragraph shall be obligated or expended for the proposal or assessment of any civil penalties for the violation or alleged violation by an employer of 10 or fewer employees of any standard, rule, regulation, or order promulgated under the Occupational Safety and Health Act of 1970 (other than serious, willful or repeated violations and violations which pose imminent danger under section 13 of the Act) if, prior to the inspection which gives rise to the alleged violation, the employer cited has (1) voluntarily requested consultation under a program operated pursuant to section 7(c)(1) or section 18 of the Occupational Safety and Health Act of 1970 or from a private consultative source approved by the Administration and (2) had the consultant examine the condition cited and (3) made or is in the process of making a reasonable good faith effort to eliminate the hazard created by the condition cited as such was identified by the aforementioned consultant, unless changing circumstances or workplace conditions render inapplicable the advice obtained by such consultants.

29 USC 651 note.

29 USC 662.

29 USC 656, 667.

Mine Safety and Health Administration

SALARIES AND EXPENSES

For necessary expenses for the Mine Safety and Health Administration, $125,500,000, including purchase and bestowal of certificates and trophies in connection with mine rescue and first-aid work: *Provided*, That the Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private: *Provided further*, That the Mine Safety and Health Administration is authorized to promote health and safety education and training in the mining community through cooperative programs with States, industry, and safety associations: *Provided further*, That any funds available to the Department may be used, with the approval of the Secretary, to provide for the costs of mine rescue and survival operations in the event of major disasters.

30 USC 962.

Bureau of Labor Statistics

SALARIES AND EXPENSES

For necessary expenses for the Bureau of Labor Statistics, including advances or reimbursements to State, Federal, and local agencies and their employees for services rendered, $94,752,000.

Departmental Management

SALARIES AND EXPENSES

For necessary expenses for departmental management including $1,616,000 for the President's Committee on Employment of the

Handicapped, $76,247,000, together with not to exceed $1,817,000 to be derived from the Employment Security Administration account, Unemployment Trust Fund.

SPECIAL FOREIGN CURRENCY PROGRAM

For payments in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States, for necessary expenses of the Department of Labor, as authorized by law, $70,000, to remain available until expended: *Provided*, That this appropriation shall be available, in addition to other appropriations to such agency for payments in the foregoing currencies.

GENERAL PROVISIONS

SEC. 101. Appropriations in this Act available for salaries and expenses shall be available for supplies, services, and rental of conference space within the District of Columbia, as the Secretary of Labor shall deem necessary for settlement of labor-management disputes.

SEC. 102. None of the funds appropriated by this title may be used by the Department of Labor to carry out any activities for or on behalf of any individual who is an alien in the United States in violation of the Immigration and Nationality Act or any other law, convention or treaty of the United States relating to the immigration, exclusion, deportation, or expulsion of aliens.

This title may be cited as the "Department of Labor Appropriation Act, 1979." Citation of title.

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Department of Health, Education, and Welfare Appropriation Act, 1979.

HEALTH SERVICES ADMINISTRATION

HEALTH SERVICES

For carrying out titles III, V, and XII of the Public Health Service Act, the Act of August 8, 1946 (5 U.S.C. 7901), section 1 of the Act of July 19, 1963 (42 U.S.C. 253a), section 108 of Public Law 93-353, and titles V and XI of the Social Security Act, $712,115,000, including 9,258 full-time permanent positions, of which $1,600,000 shall be available only for payments to the State of Hawaii for care and treatment of persons afflicted with leprosy: *Provided*, That this appropriation shall be available for payment of the costs of medical care, related expenses, and burial expenses, hereafter incurred, by or on behalf of any person who has participated in the study of untreated syphilis initiated in Tuskegee, Alabama, in 1932, in such amounts and subject to such terms and conditions as prescribed by the Secretary of Health, Education, and Welfare, and for payment, in such amounts and subject to such terms and conditions, of such costs and expenses hereafter incurred by or on behalf of such person's wife or offspring determined by the Secretary to have suffered injury or disease from syphilis contracted from such person: *Provided further*, That when the Health Services Administration operates an employee health program for any Federal department or agency, payment for the estimated cost shall be made by way of reimbursement or in advance to this appropriation.

42 USC 241, 219, 300d.
42 USC 253b and note.
42 USC 701, 1301.

CENTER FOR DISEASE CONTROL

PREVENTIVE HEALTH SERVICES

42 USC 241, 300d. 30 USC 801 note. 29 USC 651 note.

To carry out titles III and XVII of the Public Health Service Act, the Federal Mine Safety and Health Act of 1977, and the Occupational Safety and Health Act of 1970; including insurance of official motor vehicles in foreign countries; and purchase, hire, maintenance, and operation of aircraft, $162,849,000, including 3,982 full-time permanent positions, of which $1,912,000 shall remain available until expended and shall be for construction and equipment of facilities of or used by the Center for Disease Control: *Provided*, That training of employees of private agencies shall be made subject to reimbursement or advances to this appropriation for the full cost of such training.

NATIONAL INSTITUTES OF HEALTH

NATIONAL CANCER INSTITUTE

42 USC 241

For carrying out, to the extent not otherwise provided, section 301 of the Public Health Service Act with respect to cancer, $917,000,000, including 2,062 full-time permanent positions.

NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

For expenses, not otherwise provided for, necessary to carry out section 301 of the Public Health Service Act with respect to heart, lung, blood vessel, and blood diseases, $485,584,000, including 788 full-time permanent positions.

NATIONAL INSTITUTE OF DENTAL RESEARCH

42 USC 281.

For expenses, not otherwise provided for, to carry out title IV of the Public Health Service Act with respect to dental diseases, $61,920,000, including and not to exceed 287 full-time permanent positions.

NATIONAL INSTITUTE OF ARTHRITIS, METABOLISM, AND DIGESTIVE DISEASES

For expenses necessary to carry out title IV of the Public Health Service Act with respect to arthritis, rheumatism, metabolic diseases, and digestive diseases, $287,869,000, including 642 full-time permanent positions.

NATIONAL INSTITUTE OF NEUROLOGICAL AND COMMUNICATIVE DISORDERS AND STROKE

For expenses necessary to carry out, to the extent not otherwise provided, title IV of the Public Health Service Act with respect to neurological and communicative disorders and stroke, $205,000,000, including 567 full-time permanent positions.

NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

For expenses, not otherwise provided for, to carry out title IV of the Public Health Service Act with respect to allergy and infectious

diseases, $183,198,000, including and not to exceed 649 full-time permanent positions.

NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

For expenses, not otherwise provided for, necessary to carry out title IV of the Public Health Service Act with respect to general medical sciences, $231,058,000, including 179 full-time permanent positions. 42 USC 281.

NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

To carry out, except as otherwise provided, title IV of the Public Health Service Act with respect to child health and human development, $114,305,000, including 400 full-time permanent positions.

NATIONAL INSTITUTE ON AGING

To carry out, except as otherwise provided, title IV of the Public Health Service Act with respect to aging, $54,526,000, including 258 full-time permanent positions.

NATIONAL EYE INSTITUTE

For expenses necessary to carry out title IV of the Public Health Service Act, with respect to eye diseases and visual disorders, $100,549,000, including 186 full-time permanent positions.

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

To carry out, except as otherwise provided, sections 301 and 311 of the Public Health Service Act with respect to environmental health sciences, $73,512,000, including 405 full-time permanent positions. 42 USC 241, 243.

RESEARCH RESOURCES

To carry out, except as otherwise provided, section 301 of the Public Health Service Act with respect to research resources and general research support grants, $153,649,000, including 80 full-time permanent positions: *Provided*, That none of these funds, with the exception of funds for the Minority Biomedical Support program, shall be used to pay recipients of the general research support grants programs any amount for indirect expenses in connection with such grants.

JOHN E. FOGARTY INTERNATIONAL CENTER FOR ADVANCED STUDY IN THE HEALTH SCIENCES

For the John E. Fogarty International Center for Advanced Study in the Health Sciences, $8,989,000, of which $1,700,000 shall be available for payment to the Gorgas Memorial Institute for maintenance and operation of the Gorgas Memorial Laboratory.

NATIONAL LIBRARY OF MEDICINE

To carry out, to the extent not otherwise provided for, section 301 with respect to health information communications and part I of title

42 USC 241. III of the Public Health Service Act, $33,444,000, including 503 full-time permanent positions.

BUILDINGS AND FACILITIES

For construction of, and acquisition of sites and equipment for, facilities of or used by the National Institutes of Health, where not otherwise provided, $67,950,000 to remain available until expended.

OFFICE OF THE DIRECTOR

For expenses necessary for the Office of the Director, National Institutes of Health, $19,673,000, including 4,780 full-time permanent positions and including purchase of not to exceed thirteen passenger motor vehicles for replacement only.

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH

42 USC 201 note. For carrying out the Public Health Service Act with respect to mental health, the Community Mental Health Centers Act, as amended (42 U.S.C. 2681, et seq.), and the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation 21 USC 801 note. Act of 1970, as amended, $741,022,000.

SAINT ELIZABETHS HOSPITAL

For expenses necessary for the maintenance and operation of the hospital, including clothing for patients, and cooperation with organizations or individuals in scientific research into the nature, causes, prevention, and treatment of mental illness, $75,824,000, or such amounts as may be necessary to provide a total appropriation equal to the difference between the amount of the reimbursements received during the current fiscal year on account of patient care provided by the hospital during such year and $98,792,000.

HEALTH RESOURCES ADMINISTRATION

HEALTH RESOURCES

For carrying out titles III and VII of the Public Health Service 42 USC 241, 292. Act, section 1122 of the Social Security Act, $462,972,000, including 1,275 full-time permanent positions, of which $3,000,000 shall remain 42 USC 1320a-1. available until expended for loan guarantees and interest subsidies 42 USC 293. under Part B of title VII.

MEDICAL FACILITIES GUARANTEE AND LOAN FUND

42 USC 300o. For carrying out title XVI of the Public Health Service Act, $42,000,000 shall be available without fiscal year limitation for the payment of interest subsidies. The total principal amount of loans to be guaranteed or directly made, which may be allotted among the 42 USC 291, 300o. States, pursuant to titles VI and XVI of the Public Health Service Act shall not exceed a cumulative amount of $1,750,000,000.

PAYMENT OF SALES INSUFFICIENCIES AND INTEREST LOSSES

For the payment of such insufficiencies as may be required by the trustee on account of outstanding beneficial interest or participations in the Health Professions Education Fund assets or Nurse Training Fund assets, authorized by the Department of Health, Education, and Welfare Appropriation Act, 1968, to be issued pursuant to section 302(c) of the Federal National Mortgage Association Charter Act, $110,000, and for payment of amounts pursuant to 42 U.S.C. 294(q) or 42 U.S.C. 297(f) to schools which borrow any sums from the Health Professions Education Fund or Nurse Training Fund, $2,302,000: *Provided*, That the amounts appropriated herein shall remain available until expended.

81 Stat. 390.
12 USC 1717.

HEALTH EDUCATION LOANS

The Secretary is hereby authorized to make such expenditures, within the limits of funds available in the Health Professions Education Fund and the Nurse Training Fund, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitation as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year.

31 USC 849.

ASSISTANT SECRETARY FOR HEALTH

SALARIES AND EXPENSES

For expenses necessary for the Office of the Assistant Secretary for Health and for carrying out titles III, XIII, and XVII of the Public Health Service Act, $51,232,000, including 1,921 full-time permanent positions.

42 USC 241, 300e, 300u–1.

HEALTH MAINTENANCE ORGANIZATION LOAN AND LOAN GUARANTEE FUND

Any amounts received by the Secretary in connection with loans and loan guarantees under title XIII of the Public Health Service Act and any other property or assets derived by him from his operations respecting such loans and loan guarantees, including any money derived from the sale of assets, shall be available to the Secretary without fiscal year limitation for direct loans and loan guarantees, as authorized by said title XIII, in addition to funds specifically appropriated for that purpose.

RETIREMENT PAY AND MEDICAL BENEFITS FOR COMMISSIONED OFFICERS

For retired pay of commissioned officers, as authorized by law, and for payments under the Retired Serviceman's Family Protection Plan; Survivor Benefit Plan and payments for medical care of dependents and retired personnel under the Dependents' Medical Care Act (10 U.S.C., ch. 55), such amounts as may be required during the current fiscal year.

10 USC 1071 *et seq.*

SCIENTIFIC ACTIVITIES OVERSEAS (SPECIAL FOREIGN CURRENCY PROGRAM)

For payments in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States,

for necessary expenses for conducting scientific activities overseas, as authorized by law, $11,387,000, to remain available until expended: *Provided*, That this appropriation shall be available in addition to other appropriations for such activities, for payments in the foregoing currencies.

HEALTH CARE FINANCING ADMINISTRATION

GRANTS TO STATES FOR MEDICAID

42 USC 1396.

For carrying out, except as otherwise provided, title XIX of the Social Security Act, $11,250,000,000.

For making, after June 30 of the current fiscal year, payments to States under title XIX of the Social Security Act, for the last three months of the current fiscal year; and for making after July 31 of the current fiscal year, payments for the first quarter of the succeeding fiscal year; such sums as may be necessary, the obligations incurred and the expenditures made thereunder for payments under such title to be charged to the subsequent appropriation therefor for the current or succeeding fiscal year.

In the administration of title XIX of the Social Security Act, payments to a State under such title for any quarter in the period beginning July 1 of the prior year and ending September 30 of the current year may be made with respect to a State plan approved under such title prior to or during such period, but no such payment shall be made with respect to any plan for any quarter prior to the quarter in which a subsequently approved plan was submitted.

Such amounts as may be necessary from this appropriation shall be available for grants to States for any period in the prior fiscal year subsequent to June 30 of that year.

PAYMENT TO HEALTH CARE TRUST FUNDS

42 USC 417, 429, 1320c-17, 1395w.

For payment to the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as provided under sections 217(g), 229(b), 1168 and 1844 of the Social Security Act, and sections 103(c) and 111(d) of the Social Security Amendments of 1965, $7,760,913,000.

QUALITY CARE MANAGEMENT, RESEARCH AND ADMINISTRATION

42 USC 426a, 1395i-1.

42 USC 1301, 1395, 1396. 42 USC 300m-5, 300n-2. 42 USC 401.

For carrying out, except as otherwise provided, titles XI, XVIII, and XIX of the Social Security Act, and sections 1526 and 1533(d) of the Public Health Service Act, $106,612,000, together with not to exceed $802,899,000, to be transferred to this appropriation as authorized by section 201(g)(1) of the Social Security Act, from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds referred to therein: *Provided*, That such amounts as are required shall be available to pay travel expenses either on an actual cost or commuted basis, to an individual for travel incident to medical examinations, and to parties, their representatives and all reasonably necessary witnesses for travel within the United States, Puerto Rico, and the Virgin Islands to reconsideration interviews and to proceedings before administrative law judges under title XVIII of the Social Security Act: *Provided further*, That $20,000,000 of the foregoing amount shall be apportioned for use pursuant to section 3679

of the Revised Statutes (31 U.S.C. 665), only to the extent necessary to process workloads not anticipated in the budget estimates and to meet mandatory increases in costs of agencies or organizations with which agreements have been made to participate in the administration of title XVIII and after maximum absorption of such costs within the remainder of the existing limitation has been achieved. 42 USC 1395.

EDUCATION DIVISION

Office of Education

ELEMENTARY AND SECONDARY EDUCATION

For carrying out, to the extent not otherwise provided, title I, part A ($3,077,132,000), title IV, part C, title VII and title IX of the Elementary and Secondary Education Act; title VII of the Education Amendments of 1974; the General Education Provisions Act; and Public Law 92-506, $3,448,382,000: *Provided*, That of the amounts appropriated above the following amounts shall become available for obligation on July 1, 1979, and shall remain available until September 30, 1980: title I, part A ($3,077,132,000), title IV, part C ($190,000,000) of the Elementary and Secondary Education Act and section 417(a)(2) of the General Education Provisions Act ($1,250,000). For carrying out title IV, part C of the Elementary and Secondary Education Act an additional $7,400,000 to become available for obligation on July 1, 1979, and to remain available until September 30, 1980: *Provided*, That none of such funds may be paid to any State for which the allocation for fiscal year 1980 exceeds the allocation for comparable purposes for fiscal year 1979. 20 USC 241a, 1831, 880b note, 1134. 20 USC 1901, 1221. 86 Stat. 907 20 USC 1226c.

SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS

For carrying out title I of the Act of September 30, 1950, as amended (20 U.S.C., ch. 13), $786,100,000 of which $63,500,000 shall be for payments under section 6, and $710,600,000 shall be for payments under sections 2 and 3 in accordance with subsection 5(c) (1) and (2) of said Act, and $12,000,000 shall be for payments under section 7 of said Act: *Provided*, That the total amount paid with respect to entitlements under section 3(b) of that title shall not exceed the amount paid under that section in fiscal year 1978, and any reductions required thereby shall be derived by proportionately reducing the payments applied for by all local educational agencies under section 3(b). 20 USC 237 *et seq.* 20 USC 241. 20 USC 237, 238, 240. 20 USC 241-1.

For carrying out the Act of September 23, 1950, as amended (20 U.S.C., ch. 19), $30,000,000 which shall remain available until expended, shall be for providing school facilities as authorized by said Act: *Provided*, That with the exception of up to $13,000,000 for section 10 and up to $16,000,000 for section 14 none of the funds contained herein for providing school facilities shall be available to pay for any other section of the Act of September 23, 1950, until payment has been made of 100 per centum of the amounts payable under section 5: *Provided further*, That, notwithstanding section 421A(c)(2)(A) of the General Education Provisions Act, the Commissioner of Education is authorized to approve applications for funds to increase school facilities in communities located near the Trident Support Site, Ban- 20 USC 631 *et seq.* 20 USC 640, 644. 20 USC 1231.

gor, Washington, on such terms and conditions as he may reasonably require without regard to any provision in law.

EMERGENCY SCHOOL AID

42 USC 2000c.
20 USC 1601 note.

For carrying out title IV of the Civil Rights Act of 1964 and the Emergency School Aid Act, $341,350,000: *Provided*, That the Assistant Secretary, in awarding funds under this program, shall not give less favorable consideration to the application of a local educational agency which has voluntarily adopted a plan qualified for assistance under this title than to the application of a local educational agency which has been legally required to adopt such a plan.

EDUCATION FOR THE HANDICAPPED

20 USC 871–880a notes.
20 USC 1411.
20 USC 1419.

For carrying out the Education of the Handicapped Act, $976,637,000: *Provided*, That of this amount $804,000,000 for part B and $17,500,000 for section 619 shall become available for obligation on July 1, 1979, and shall remain available until September 30, 1980.

OCCUPATIONAL, VOCATIONAL, AND ADULT EDUCATION

20 USC 2563.
20 USC 2301, 1201 note.
20 USC 2401.

For carrying out, to the extent not otherwise provided, section 523 of the Education Amendments of 1976, the Vocational Education Act of 1963, as amended, and the Adult Education Act, $774,453,000 of which $10,000,000 for part B, subpart 2 of the Vocational Education Act shall remain available until expended: *Provided*, That the amounts appropriated above shall become available for obligation on July 1, 1979, and shall remain available until September 30, 1980, unless otherwise specified herein: *Provided further*, That not to exceed $112,317,000 shall be for carrying out part A, subpart 3 of the Vocational Education Act.

20 USC 2350.

STUDENT ASSISTANCE

20 USC 1070a, 1070b, 1070c.
42 USC 2751.
20 USC 1087aa.
20 USC 1221.
20 USC 1146–1150 note.
20 USC 1001 note.

For carrying out subparts 1 ($2,600,000,000), 2 ($340,100,000), and 3 ($76,750,000) of part A, and parts C ($550,000,000) and E ($328,900,000) of Title IV of the Higher Education Act, and, to the extent not otherwise provided, the General Education Provisions Act, $3,922,650,000, of which $3,895,750,000 shall remain available until September 30, 1980: *Provided*, That such funds may be expended notwithstanding the provisions of section 1208(a)(2) of the Higher Education Act: *Provided further*, That (1) Funds appropriated in this Act for Basic Educational Opportunity Grants under the Higher Education Act of 1965 shall be used to make basic grants consistent with the Schedule of Expected Family Contribution in effect as of October 1, 1978, except that (A) such schedule shall not have an assessment rate on parental discretionary income in excess of 10.5 per centum, (B) such schedule shall not reduce the maximum basic grant below $1,800, and (C) such schedule shall retain the provisions relating to independent students as were in effect for the academic year 1978–79.

(2) If funds contained in this Act available for basic educational opportunity grants are insufficient to satisfy fully all basic grant entitlements as determined by the Family Contribution Schedule as modified by paragraph (1), the amount paid with respect to each such entitlement shall be—

(A) the full amount in the case of any entitlement which exceeds $1,600;

(B) in the case of any entitlement which exceeds $1,200 but does not exceed $1,600, 90 per centum thereof;

(C) in the case of any entitlement which exceeds $1,000 but does not exceed $1,200, 75 per centum thereof;

(D) in the case of any entitlement which exceeds $800 but does not exceed $1,000, 70 per centum thereof;

(E) in the case of any entitlement which exceeds $600 but does not exceed $800, 65 per centum thereof; and

(F) in the case of any entitlement which does not exceed $600, 50 per centum thereof:

Provided further, That amounts appropriated for basic opportunity grants shall be available first to meet any insufficiencies in entitlements resulting from the payment schedule for basic opportunity grants published by the Commissioner of Education during the prior fiscal year: *Provided further*, That pursuant to section 411(b)(4)(A) of the Higher Education Act, amounts appropriated herein for basic opportunity grants which exceed the amounts required to meet the payment schedule published for any fiscal year by 15 per centum or less shall be carried forward and merged with amounts appropriated the next fiscal year. 20 USC 1070a.

HIGHER AND CONTINUING EDUCATION

For carrying out titles I-A, III, VIII, IX, and XI and sections 417, 418, 420, 705, 745, and 1203 of the Higher Education Act; the Mutual Education and Cultural Exchange Act of 1961; section 421 of the General Education Provisions Act; title VI of the National Defense Education Act; and the Hubert H. Humphrey Institute of Public Affairs and the Everett McKinley Dirksen Congressional Leadership Research Center Assistance Act, $393,000,000: *Provided*, That funds contained in Public Law 95-205 for carrying out section 525 of the Education Amendments of 1976 shall remain available for obligation until September 30, 1980. 20 USC 1001, 1051, 1133, 1134, 1136, 1070e-1, 1132a-4, 1132c-4, 1142b. 22 USC 2451 note. 20 USC 1230. 20 USC 511. 91 Stat. 1460. 20 USC 2565.

LIBRARY RESOURCES

For carrying out, to the extent not otherwise provided, titles I and III of the Library Services and Construction Act (20 U.S.C., ch. 16); title II of the Higher Education Act; and title IV, part B of the Elementary and Secondary Education Act, $266,475,000: *Provided*, That $180,000,000 for Title IV, part B of the Elementary and Secondary Education Act shall become available for obligation on July 1, 1979, and shall remain available until September 30, 1980. 20 USC 352, 355e, 351 *et seq.* 20 USC 1021. 20 USC 1821.

SPECIAL PROJECTS AND TRAINING

For carrying out the Special Projects Act (Public Law 93-380), the General Education Provisions Act, to the extent not otherwise provided, title V, part A and section 532 of the Higher Education Act of 1965, and the Career Education Incentive Act (Public Law 95-207), $134,472,000, of which not to exceed $1,840,000 shall be for carrying out section 403 of the Special Projects Act. 20 USC 1851 note. 20 USC 1221. 20 USC 1101, 1119a, 2601 note. 20 USC 1862.

SALARIES AND EXPENSES

20 USC 1221. For carrying out, to the extent not otherwise provided, the General Education Provisions Act, including rental of conference rooms in the District of Columbia, $126,830,000: *Provided*, That during the current fiscal year up to $10,000,000 in collections on Federally insured defaulted loans may be transferred to the Salaries and Expenses account for the payment of related collection activities.

STUDENT LOAN INSURANCE FUND

20 USC 1071. For necessary expenses under title IV, part B of the Higher Education Act, and to the extent not otherwise provided, the General Education Provisions Act, $714,314,000, to remain available until expended: *Provided*, That the Commissioner is authorized to issue to the Secretary of the Treasury notes or other obligations, in an amount not to exceed a total of $25,000,000 without fiscal year limitation, to maintain the adequacy of the fund, but only with respect to payments authorized under section 431 of the Higher Education
20 USC 1081. Act.

HIGHER EDUCATION FACILITIES LOAN AND INSURANCE FUND

For the payment of such insufficiencies as may be required by the trustee on account of outstanding beneficial interest or participations in assets of the Office of Education authorized by the Department
81 Stat. 390. of Health, Education, and Welfare Appropriation Act, 1968, to be issued pursuant to section 302(c) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(c)), $2,204,000 to remain available until expended, and the Secretary is hereby authorized to make such expenditures, within the limits of funds available in the Higher Education Facilities Loan and Insurance Fund, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitation as provided by section 104 of the Government Corporation Control Act (31 U.S.C. 849) as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such fund.

HEALTH PROFESSIONS GRADUATE STUDENT LOAN INSURANCE FUND

For necessary expenses for the Health Professions Graduate Student Loan Insurance Fund, authorized by title VII, part C, subpart 1
42 USC 294. of the Public Health Service Act, the Secretary is authorized to issue to the Secretary of the Treasury notes or obligations, in an amount not to exceed a total of $2,500,000, without fiscal year limitation, to maintain the adequacy of the fund, but only with respect to payments
42 USC 294g. authorized under section 734.

NATIONAL INSTITUTE OF EDUCATION

NATIONAL INSTITUTE OF EDUCATION

20 USC 1221e. For carrying out section 405 of the General Education Provisions Act, including rental of conference rooms in the District of Columbia, $92,300,000.

OFFICE OF THE ASSISTANT SECRETARY FOR EDUCATION

SALARIES AND EXPENSES

For necessary expenses to carry out sections 402, 404 and 406 of the General Education Provisions Act, $38,483,000, of which not to exceed $1,500 may be for official reception and representation expenses. 20 USC 1221b, 1221d, 1221e-1.

SOCIAL SECURITY ADMINISTRATION

PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

For payment to the Federal Old-Age and Survivors Insurance and the Federal Disability Insurance Trust Funds, as provided under section 217(a), 228(g), 229(b), and 1131(b)(2) of the Social Security Act, $760,774,000. 42 USC 417, 428, 429, 1320b-1.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

For carrying out title IV of the Federal Mine Safety and Health Act of 1977, including the payment of travel expenses either on an actual cost or commuted basis, to an individual, for travel incident to medical examinations, and to parties, their representatives and all reasonably necessary witnesses for travel within the United States, Puerto Rico, and the Virgin Islands, to reconsideration interviews and to proceedings before administrative law judges, $1,016,608,000: *Provided*, That after July 31, such amounts for benefit payments as may be necessary may be charged to the subsequent year appropriation. 30 USC 901.

SUPPLEMENTAL SECURITY INCOME PROGRAM

For carrying out the Supplemental Security Income program under title XVI of the Social Security Act, section 401 of Public Law 92-603, section 212 of Public Law 93-66, as amended, and section 405 of Public Law 95-216, including payment to the social security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, $5,557,854,000: *Provided*, That for carrying out these activities after July 31, such sums as may be necessary shall be available, the obligations and expenditures therefor to be charged to the appropriation for the succeeding fiscal year: *Provided further*, That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury. 42 USC 1381. 42 USC 1382e note. 87 Stat. 155. 42 USC 1383 note. 42 USC 401.

ASSISTANCE PAYMENTS PROGRAM

For carrying out, except as otherwise provided, titles I, IV, X, XI and XIV of the Social Security Act, and the Act of July 5, 1960 (24 U.S.C., Ch. 9), $6,663,000,000. 42 USC 301, 601, 1201, 1301, 1351. 24 USC 321 *et seq.*

For making, after June 30 of the current fiscal year, payments to States under titles I, IV, X, XIV, and XVI, respectively, of the Social Security Act for the last three months of the current fiscal year; and for making after July 31 of the current fiscal year, payments for the first quarter of the succeeding fiscal year; such sums as may be necessary, the obligations incurred and the expenditures made thereunder for payments under each of such titles to be charged to the sub-

sequent appropriations therefor for the current or succeeding fiscal year.

Such amounts as may be necessary from this appropriation shall be available for grants to States for any period in the prior fiscal year subsequent to June 30 of that year.

NATIONAL COMMISSION ON SOCIAL SECURITY

For carrying out the purposes of the National Commission on Social Security established pursuant to section 361 of Public Law 95-216, $500,000 to remain available until expended.

42 USC 907a.

REFUGEE ASSISTANCE

For expenses necessary to carry out the provisions of the Migration and Refugee Assistance Act of 1962 (Public Law 87-510), relating to aid to Cuban refugees within the United States, including hire of passenger motor vehicles, and the Indochina Migration and Refugee Assistance Act of 1975, as amended, $155,300,000: *Provided*, That $7,500,000 of the foregoing amount shall be apportioned for the purposes of the special projects authorized by section 2(c) of the Indochina Migration and Refugee Assistance Act of 1975, as amended, to be admin stered primarily by the private voluntary resettlement agencies.

22 USC 2601 note.

22 USC 2601 note.

LIMITATION ON ADMINISTRATIVE EXPENSES

For necessary expenses, not more than $2,234,587,000 may be expended as authorized by section 201(g)(1) of the Social Security Act, from any one or all of the trust funds referred to therein: *Provided*, That such amounts as are required shall be available to pay travel expenses either on an actual cost or commuted basis, to an individual for travel incident to medical examinations, and to parties, their representatives and all reasonably necessary witnesses for travel within the United States, Puerto Rico, and the Virgin Islands, to reconsider interviews and to proceedings before administrative law judges under title II, XVI, and XVIII of the Social Security Act: *Provided further*, That $25,000,000 of the foregoing amount shall be apportioned for use pursuant to section 3679 of the Revised Statutes (31 U.S.C. 66), only to the extent necessary to process workloads not anticipated in the budget estimates and to meet mandatory increases in costs of agencies or organizations with which agreements have been made to participate in the administration of titles XVI and XVIII and section 221 of the Social Security Act, and after maximum absorption of such costs within the remainder of the existing limitations has been achieved: *Provided further*, That $14,800,000 authorized herein shall be available only for acquisition of sites, construction and equipment of facilities and for payments of principal, interest, taxes and any other obligations under contracts entered into pursuant to the Public Buildings Purchase Contract Act of 1954 and the Public Buildings Amendments of 1972, and shall remain available until expended.

42 USC 401.
42 USC 421 note.
42 USC 401, 1381, 1395.
31 USC 665.
42 USC 421.
40 USC 356 note.
86 Stat. 216.

SPECIAL INSTITUTIONS

AMERICAN PRINTING HOUSE FOR THE BLIND

For carrying out the Act of March 3, 1879, as amended (20 U.S.C. 101-105), $3,906,000.

NATIONAL TECHNICAL INSTITUTE FOR THE DEAF

For carrying out the National Technical Institute for the Deaf Act (20 U.S.C. 681, et seq.), $16,625,000.

GALLAUDET COLLEGE

For carrying out the Model Secondary School for the Deaf Act (80 Stat. 1027) and for the partial support of Gallaudet College authorized by the Act of June 18, 1954 (68 Stat. 265), $44,833,000, of which $11,105,000 shall be for construction and shall remain available until expended: *Provided*, That if requested by the college, such construction shall be supervised by the General Services Administration.

HOWARD UNIVERSITY

For the partial support of Howard University, $113,393,000, of which $10,000,000 shall be for construction and shall remain available until expended: *Provided*, That if requested by the University, such construction shall be supervised by the General Services Administration.

ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES

GRANTS TO STATES FOR SOCIAL AND CHILD WELFARE SERVICES

For carrying out activities authorized by sections 420 and 2001 of the Social Security Act, $2,578,052,000, of which $56,500,000 shall be for child welfare services authorized by section 420. 42 USC 620, 1397.

For making, after June 30 of the current fiscal year, payments to States authorized by section 2001 of the Social Security Act, for the last three months of the current fiscal year, and for making after July 31 of the current fiscal year, payments for the first quarter of the succeeding fiscal year; such sums as may be necessary, the obligations incurred and the expenditures made thereunder to be charged to the subsequent appropriations therefor for the current or succeeding fiscal year.

Such amounts as may be necessary from this appropriation shall be available for grants to States for any period in the prior fiscal year subsequent to June 30 of that year.

ADOPTIONS OPPORTUNITIES

To carry out title II of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (title II of Public Law 95-266), $5,000,000. 42 USC 5111.

WORK INCENTIVES

For carrying out a work incentives program, as authorized by part C of title IV of the Social Security Act, including registration of individuals for such program, and for related child care and other supportive services, as authorized by section 402(a)(19)(G) of the Act, including transfer to the Secretary of Labor, as authorized by section 431 of the Act, $385,000,000, which shall be the maximum amount available for transfer to the Secretary of Labor and to which 42 USC 630. 42 USC 602. 42 USC 631.

the States may become entitled pursuant to section 403(d) of such Act, for these purposes.

42 USC 603.

Department Management

OFFICE OF CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights $71,156,000, together with not to exceed $1,200,000, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein.

42 USC 401.

OFFICE OF INSPECTOR GENERAL

For expenses necessary for the Office of the Inspector General, $36,606,000, together with not to exceed $4,705,000 to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein.

GENERAL DEPARTMENTAL MANAGEMENT

For expenses not otherwise provided, necessary for general departmental management, including hire of six medium sedans, $128,026,000, together with not to exceed $6,890,000, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein: *Provided*, That funds, appropriated under this head in Public Law 95-240 for compensating the State of Washington for expenses related to the Tacoma Indian Hospital, shall remain available until expended.

Ante, p. 112.

POLICY RESEARCH

For carrying out, to the extent not otherwise provided, research studies under section 1110 of the Social Security Act, $25,000,000.

42 USC 1310.

General Provisions

Sec. 201. Notwithstanding any other provision in this Act, the total amount of budget authority provided in this Act for the Department of Health, Education, and Welfare is hereby reduced in the amount of $1,000,000,000: *Provided*, That this reduction shall be achieved by the reduction of fraud, abuse, and waste as defined and cited in the annual report, dated March 31, 1978, of the Inspector General of the Department of Health, Education, and Welfare: *Provided further*, That this section shall not be construed to change any law authorizing appropriations or other budget authority in this Act.

Sec. 202. None of the funds appropriated by this title for grants-in-aid of State agencies to cover, in whole or in part, the cost of operation of said agencies, including the salaries and expenses of officers and employees of said agencies, shall be withheld from the said agencies of any State which have established by legislative enactment and have in operation a merit system and classification and compensation plan covering the selection, tenure in office, and compensation of their employees, because of any disapproval of their personnel or the manner of their selection by the agencies of the said States, or the rates of pay of said officers or employees.

SEC. 203. Funds appropriated in this Act to the American Printing House for the Blind, Howard University, the National Technical Institute for the Deaf, and Gallaudet College shall be awarded to these institutions in the form of lump-sum grants and expenditures made therefrom shall be subject to audit by the Secretary of Health, Education and Welfare.

SEC. 204. None of the funds provided herein shall be used to pay any recipient of a grant for the conduct of a research project an amount equal to as much as the entire cost of such project.

SEC. 205. None of the funds contained in this title shall be available for additional permanent positions in the Washington area if the total authorized positions in the Washington area is allowed to exceed the proportion existing at the close of fiscal year 1966.

SEC. 206. Appropriations in this Act for the Health Services Administration, the National Institutes of Health, the Center for Disease Control, the Alcohol, Drug Abuse, and Mental Health Administration, and Health Resources Administration and Departmental Management shall be available for expenses for active commissioned officers in the Public Health Service Reserve Corps and for not to exceed two thousand eight hundred commissioned officers in the Regular Corps; expenses incident to the dissemination of health information in foreign countries through exhibits and other appropriate means; advances of funds for compensation, travel, and subsistence expenses (or per diem in lieu thereof) for persons coming from abroad to participate in health or scientific activities of the Department pursuant to law; expenses of primary and secondary schooling of dependents in foreign countries, of Public Health Service commissioned officers stationed in foreign countries, at costs for any given area not in excess of those of the Department of Defense for the same area, when it is determined by the Secretary that the schools available in the locality are unable to provide adequately for the education of such dependents, and for the transportation of such dependents, between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation; rental or lease of living quarters (for periods not exceeding 5 years), and provision of heat, fuel, and light and maintenance, improvement, and repair of such quarters, and advance payments therefor, for civilian officers, and employees of the Public Health Service who are United States citizens and who have a permanent station in a foreign country, purchase, erection, and maintenance of temporary or portable structures; and for the payment of compensation to consultants or individual scientists appointed for limited periods of time pursuant to section 207(f) or section 207(g) of the Public Health Service Act, at rates established by the Assistant Secretary for Health, or the Secretary where such action is required by statute, not to exceed the per diem rate equivalent to the rate for GS–18; not to exceed $9,500 for official reception and representation expenses related to any health agency of the Department when specifically approved by the Assistant Secretary for Health.

42 USC 209.

5 USC 5332 note.

SEC. 207. No part of the funds contained in this title may be used to force any school or school district which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88-352, to take any action to force the busing of students; to force on account of race, creed or color the abolishment of any school so desegregated; or to force the transfer or assignment of any student

School busing.

42 USC 2000c.

39-194 O—80—pt. 2——20 : QL3

attending any elementary or secondary school so desegregated to or from a particular school over the protest of his or her parents or parent.

SEC. 208. (a) No part of the funds contained in this title shall be used to force any school or school district which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88-352, to take any action to force the busing of students; to require the abolishment of any school so desegregated; or to force on account of race, creed, or color the transfer of students to or from a particular school so desegregated as a condition precedent to obtaining Federal funds otherwise available to any State, school district or school.

42 USC 2000c.

(b) No funds appropriated in this Act may be used for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to overcome racial imbalance in any school or school system, or for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to carry out a plan of racial desegregation of any school or school system.

SEC. 209. None of the funds contained in this Act shall be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, except for a student requiring special education, to the school offering such special education, in order to comply with title VI of the Civil Rights Act of 1964. For the purpose of this section an indirect requirement of transportation of students includes the transportation of students to carry out a plan involving the reorganization of the grade structure of schools, the pairing of schools, or the clustering of schools, or any combination of grade restructuring, pairing, or clustering. The prohibition described in this section does not include the establishment of magnet schools.

Abortions.

SEC. 210. None of the funds provided for in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service; or except in those instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term when so determined by two physicians.

Nor are payments prohibited for drugs or devices to prevent implantation of the fertilized ovum, or for medical procedures necessary for the termination of an ectopic pregnancy.

SEC. 211. Funds advanced to the National Institutes of Health Management Fund from appropriations in this Act shall be available for the expenses of sharing medical care facilities and resources pursuant to section 328 of the Public Health Service Act.

42 USC 254a.

Experts or consultants.

SEC. 212. Funds appropriated under this title may not be used to pay the compensation of experts or consultants (other than full-time employees) or organizations thereof, or to procure by contract the services of experts or consultants or organizations thereof, in excess of $194,000,000 during fiscal year 1979.

For the purposes of this section, consultant costs are defined by chapter 815 of the General Administration Manual of the Department of Health, Education, and Welfare.

Citation of title.

This title may be cited as the "Department of Health, Education, and Welfare Appropriation Act, 1979."

TITLE III—RELATED AGENCIES

FEDERAL MEDIATION AND CONCILIATION SERVICE

SALARIES AND EXPENSES

For expenses necessary for the Federal Mediation and Conciliation Service to carry out the functions vested in it by the Labor Management Relations Act, 1947 (29 U.S.C. 171–180, 182), including expenses of the Labor-Management Panel and boards of inquiry appointed by the President; hire of passenger motor vehicles; and rental of conference rooms in the District of Columbia; and for expenses necessary pursuant to Public Law 93–360 for mandatory mediation in health care industry negotiation disputes, and for convening factfinding boards of inquiry appointed by the Director in the health care industry, $22,686,000. 88 Stat. 395.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

For expenses necessary for the Federal Mine Safety and Health Review Commission, $4,776,000.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

SALARIES AND EXPENSES

For necessary expenses of the National Commission on Libraries and Information Science, established by the Act of July 20, 1970 (Public Law 91–345), $648,000. 20 USC 1501 note.

NATIONAL LABOR RELATIONS BOARD

SALARIES AND EXPENSES

For expenses necessary for the National Labor Relations Board to carry out the functions vested in it by the Labor-Management Relations Act, 1947, as amended (29 U.S.C. 141–167), and other laws, $100,467,000: *Provided*, That no part of this appropriation shall be available to organize or assist in organizing agricultural laborers or used in connection with investigations, hearings, directives, or orders concering bargaining units composed of agricultural laborers as referred to in section 2(3) of the Act of July 5, 1935 (29 U.S.C. 152), and as amended by the Labor-Management Relations Act, 1947, as amended, and as defined in section 3(f) of the Act of June 25, 1938 (29 U.S.C. 203), and including in said definition employees engaged in the maintenance and operation of ditches, canals, reservoirs, and waterways when maintained or operated on a mutual, nonprofit basis and at least 95 per centum of the water stored or supplied thereby is used for farming purposes.

NATIONAL MEDIATION BOARD

SALARIES AND EXPENSES

For expenses necessary for carrying out the provisions of the Railway Labor Act, as amended (45 U.S.C. 151–188), including emergency boards appointed by the President, $3,969,000.

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

For expenses necessary for the Occupational Safety and Health Review Commission, $7,658,000.

RAILROAD RETIREMENT BOARD

PAYMENTS TO RAILROAD RETIREMENT TRUST FUND

For payment to the Railroad Retirement Account, as provided under sections 15(b) and 15(d) of the Railroad Retirement Act of 1974, $313,000,000.

45 USC 231n.

REGIONAL RAIL TRANSPORTATION PROTECTIVE ACCOUNT

For payment of benefits under section 509 of the Regional Rail Reorganization Act of 1973, to remain available until expended, including not to exceed $75,000 for payment to the Railroad Retirement Board for administrative expenses, $25,000,000.

45 USC 779.

LIMITATION ON SALARIES AND EXPENSES

For expenses necessary for the Railroad Retirement Board, $34,317,000, to be derived from the railroad retirement accounts: *Provided*, That $500,000 of the foregoing amount shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended (31 U.S.C. 665), only to the extent necessary to process workloads not anticipated in the budget estimates and after maximum absorption of the costs of such workloads within the remainder of the foregoing limitation has been achieved: *Provided further*, That nothwithstanding any other provision in law, no portion of this limitation shall be available for payments of standard level user charges pursuant to section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(j); 45 U.S.C. 228a–r).

SOLDIERS' AND AIRMEN'S HOME

OPERATION AND MAINTENANCE

For maintenance and operation of the United States Soldiers' and Airmen's Home, to be paid from the Soldiers' and Airmen's Home permanent fund, $16,939,000: *Provided*, That this appropriation shall not be available for the payment of hospitalization of members of the Home in United States Army hospitals at rates in excess of those prescribed by the Secretary of the Army upon recommendation of the

Board of Commissioners of the Home and the Surgeon General of the Army.

TITLE IV—GENERAL PROVISIONS

Experts and consultants.

SEC. 401. Appropriations contained in this Act, available for salaries and expenses, shall be available for services as authorized by 5 U.S.C. 3109 but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS–18.

5 USC 5332 note.

Uniforms or allowances.

SEC. 402. Appropriations contained in this Act available for salaries and expenses shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901–5902).

Meetings.

SEC. 403. Appropriations contained in this Act available for salaries and expenses shall be available for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities.

Funds to campus disrupters, prohibition.

SEC. 404. No part of the funds appropriated under this Act shall be used to provide a loan, guarantee of a loan, a grant, the salary of or any remuneration whatever to any individual applying for admission, attending, employed by, teaching at, or doing research at an institution of higher education who has engaged in conduct on or after August 1, 1969, which involves the use of (or the assistance to others in the use of) force or the threat of force or the seizure of property under the control of an institution of higher education, to require or prevent the availability of certain curricula, or to prevent the faculty, administrative officials, or students in such institution from engaging in their duties or pursuing their studies at such institution.

Funds, transfer.

SEC. 405. The Secretary of Labor and the Secretary of Health, Education, and Welfare are authorized to transfer unexpended balances of prior appropriations to accounts corresponding to current appropriations provided in this Act: *Provided*, That such transferred balances are used for the same purpose, and for the same periods of time, for which they were originally appropriated.

Fiscal year limitation.

SEC. 406. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

Lobbying.

SEC. 407. No part of any appropriation contained in this Act shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television or film presentation designed to support or defeat legislation pending before the Congress, except in presentation to the Congress itself.

No part of any appropriation contained in this Act shall be used to pay the salary or expenses of any grant or contract recipient or agent acting for such recipient to engage in any activity designed to influence legislation or appropriations pending before the Congress.

Ante, pp. 1567, 1571.

SEC. 408. The Secretary of Labor and the Secretary of Health, Education, and Welfare are each authorized to make available not to exceed $7,500 from funds available for salaries and expenses under titles I and II, respectively, for official reception and representation expenses; the Director of the Federal Mediation and Conciliation Service is authorized to make available for official reception and representation expenses not to exceed $2,500 from funds available for "Salaries and expenses, Federal Mediation and Conciliation Service".

Human participation projects.

SEC. 409. None of the funds appropriated by this Act shall be used to pay for any research program or project or any program, project, or course which is of an experimental nature, or any other activity involving human participants, which is determined by the Secretary or a court of competent jurisdiction to present a danger to the physical, mental, or emotional well-being of a participant or subject of such program, project, or course, without the written, informed consent of each participant or subject, or his parents or legal guardian, if such participant or subject is under eighteen years of age. The Secretary shall adopt appropriate regulations respecting this section.

Regulations.

Short title.

This Act may be cited as the "Departments of Labor and Health, Education, and Welfare Appropriations Act, 1979".

Approved October 18, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-1248 (Comm. on Appropriations) and No. 95-1746 (Comm. of Conference).

SENATE REPORT No. 95-1119 (Comm. on Appropriations).

CONGRESSIONAL RECORD, Vol. 124 (1978):

June 7, 8, 13, considered and passed House.

Sept. 25, 27, considered and passed Senate, amended.

Oct. 12, House agreed to conference report; concurred in certain Senate amendments, in others with amendments; insisted on disagreement to Senate amendment No. 103; Senate agreed to conference report; concurred in House amendments, receded from amendment No. 103, with an amendment.

Oct. 14, House concurred in Senate amendment.

Public Law 95-481
95th Congress

An Act

Making appropriations for Foreign Assistance and related programs for the fiscal year ending September 30, 1979, and for other purposes.

Oct. 18, 1978
[H.R. 12931]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for Foreign Assistance and related programs for the fiscal year ending September 30, 1979, and for other purposes, namely:

Foreign Assistance and Related Programs Appropriations Act, 1979.

TITLE I—FOREIGN ASSISTANCE ACT ACTIVITIES

Funds Appropriated to the President

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, as amended, and for other purposes, to remain available until September 30, 1979, unless otherwise specified herein, as follows:

22 USC 2151 note.

ECONOMIC ASSISTANCE

Agriculture, rural development, and nutrition, Development Assistance: For necessary expenses to carry out the provisions of section 103, $605,000,000: *Provided*, That the amounts provided for loans to carry out the purposes of this paragraph shall remain available for expenditure until September 30, 1980.

22 USC 2151a.

Population, Development Assistance: For necessary expenses to carry out the provisions of section 104(b), $185,000,000: *Provided*, That the amounts provided for loans to carry out the purposes of this paragraph shall remain available for expenditure until September 30, 1980.

22 USC 2151b.

Health, Development Assistance: For necessary expenses to carry out the provisions of section 104(c), $130,000,000: *Provided*, That the amounts provided for loans to carry out the purposes of this paragraph shall remain available for expenditure until September 30, 1980: *Provided further*, That not more than $5,000,000 shall be available for an Expanded Immunization Program—Yaws Eradication Program in West Africa.

Education and human resources development, Development Assistance: For necessary expenses to carry out the provisions of section 105, $97,000,000: *Provided*, That the amounts provided for loans to carry out the purposes of this paragraph shall remain available for expenditure until September 30, 1980.

22 USC 2151c.

Technical assistance, energy, research, reconstruction, and selected development problems, Development Assistance: For necessary expenses to carry out the provisions of section 106, $115,000,000: *Provided*, That the amounts provided for loans to carry out the purposes of this paragraph shall remain available for expenditure until September 30, 1980.

22 USC 2151d.

Loan allocation, Development Assistance: Of the new obligational authority appropriated under this Act to carry out the provisions of

22 USC 2151a–2151d.

sections 103–106, not less than $396,200,000 shall be available for loans for fiscal year 1979: *Provided*, That loans made pursuant to this authority to countries whose annual per capita gross national product is greater than $550 but less than $900 shall be repayable within twenty-five years following the date on which funds are initially made available under such loans, and loans to countries whose annual per capita gross national product is greater than $900 shall be repayable within twenty years following the date on which funds are initially made available under such loans.

22 USC 2221.
22 USC 287 note.

International organizations and programs: For necessary expenses to carry out the provisions of section 301 of the Foreign Assistance Act of 1961, as amended, and of section 2 of the United Nations Environment Program Participation Act of 1973, $260,000,000: *Provided*, That none of the funds appropriated under this heading may be available to provide a United States contribution to the United Nations University.

22 USC 2174.

American schools and hospitals abroad: For necessary expenses to carry out the provisions of section 214, $25,000,000: *Provided*, That $1,000,000 shall be available only for support of Israeli students studying in American sponsored centers of learning in the Arab countries and Arab students studying in American sponsored centers of learning in Israel.

Contingency fund: For necessary expenses, $3,000,000, to be used for the purposes set forth in section 451.

22 USC 2261.

International disaster assistance: For necessary expenses to carry out the provisions of section 491, $20,000,000: *Provided*, That $1,000,000 shall be available only to control locust plagues in Africa.

Ante, p. 953.

Assistance to African refugees: For necessary expenses to carry out the provisions of section 495F, $15,000,000.

22 USC 2151s.

Sahel development program: For necessary expenses to carry out the provisions of section 121, $75,000,000, to remain available until expended: *Provided*, That no part of such appropriation may be available to make any contribution of the United States to the Sahel development program in excess of 10 per centum of the total contributions to such program.

22 USC 2291.

International narcotics control: For necessary expenses to carry out the provisions of section 481, $38,500,000: *Provided*, That not to exceed $3,000,000 shall be for the United Nations Fund for Drug Abuse Control.

22 USC 801 note.

Payment to the Foreign Service Retirement and Disability Fund: For payment to the "Foreign Service Retirement and Disability Fund," as authorized by the Foreign Service Act of 1946, as amended, $24,820,000: *Provided*, That none of these funds or other funds available to the Foreign Service Retirement and Disability Fund shall be available to carry out the provisions of section 406 of the Foreign Relations Authorization Act, Fiscal Year 1979.

Ante, p. 979.

22 USC 2362.

Overseas training (foreign currency program): For necessary expenses to carry out the provisions of section 612, $400,000 in foreign currencies which the Treasury Department declares to be excess to the normal requirements of the United States.

None of the funds made available under this Act for "Agriculture, rural development, and nutrition, Development Assistance," "Population, Development Assistance," "Health, Development Assistance," "Education and human resources development, Development Assistance," "Technical assistance, energy, research, reconstruction, and selected development problems, Development Assistance," International organizations and programs," "American schools and hospitals abroad," "Assistance to African refugees," "Sahel development pro-

gram," "International narcotics control," "Economic support fund," "Peacekeeping operations," "Operating Expenses of the Agency for International Development," "Military assistance," "International military education and training," "Foreign military credit sales," "Inter-American Foundation," "Peace Corps," or "Migration and refugee assistance," shall be available for obligation for activities, programs, projects, type of materiel assistance, countries, or other operation not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings for fiscal year 1979 unless the Appropriations Committees of both Houses of the Congress are previously notified fifteen days in advance.

ECONOMIC SUPPORT FUND

Economic support fund: For necessary expenses to carry out the provisions of sections 531 through 534 of the Foreign Assistance Act of 1961, as amended, $1,882,000,000: *Provided*, That of the funds appropriated under this paragraph, $785,000,000 shall be allocated to Israel, $750,000,000 shall be allocated to Egypt and, $93,000,000 shall be allocated to Jordan: *Provided further*, That not more than $45,000,000, of which sum not more than $5,000,000 shall be for refugee assistance through International Relief Organizations in Rhodesia, shall be available for the Southern Africa Program: *Provided further*, That none of the funds appropriated under this heading may be used to provide a United States contribution to the United Nations Relief and Works Agency. *Ante*, pp. 733, 735.

PEACEKEEPING OPERATIONS

Peacekeeping operations: For necessary expenses to carry out the provisions of section 551 of the Foreign Assistance Act of 1961, as amended, $27,400,000: *Provided*, That none of the funds appropriated under this heading may be available for the Middle East Special Requirements Fund. *Ante*, p. 736.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

Operating expenses of the Agency for International Development: For necessary expenses to carry out the provisions of section 667 of the Foreign Assistance Act of 1961, as amended, $254,000,000: *Provided*, That not more than $97,000,000 of this amount shall be for AID-Washington Operating Expenses: *Provided further*, That not to exceed $700,000 of funds provided to the Agency for International Development by this Act shall be available for hiring experts and consultants pursuant to 5 U.S.C. 3109: *Provided further*, That not to exceed $10,000,000 of the funds made available by this Act shall be made available for personal service contracts and that of this amount not to exceed $2,000,000 shall be made available from Operating Expenses of the Agency for International Development and not to exceed $8,000,000 shall be available from other funds made available by this Act. 22 USC 2427.

ISRAEL-UNITED STATES BINATIONAL AGRICULTURAL RESEARCH AND DEVELOPMENT FUND

For payment to the Israel-United States Binational Agricultural Research and Development Fund as authorized by section 1458 of the Food and Agriculture Act of 1977, $40,000,000, to remain available until expended. 7 USC 3291.

OVERSEAS PRIVATE INVESTMENT CORPORATION

The Overseas Private Investment Corporation is authorized to make such expenditures within the limits of funds available to it and in accordance with law (including not to exceed $10,000 for entertainment allowances), and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 849), as may be necessary in carrying out the program set forth in the budget for the current fiscal year.

INTER-AMERICAN FOUNDATION

For expenses necessary to carry out the functions of the Inter-American Foundation in accordance with the provisions of section 401 of the
22 USC 290f. Foreign Assistance Act of 1969, as amended, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, $10,000,000: *Provided*, That not to exceed $3,618,000 of previously appropriated funds shall also be available for necessary expenses during the current fiscal year.

MILITARY ASSISTANCE

Military assistance: For necessary expenses to carry out the provi-
22 USC 2311. sions of section 503 of the Foreign Assistance Act of 1961, as amended, including administrative expenses and purchase of passenger motor vehicles for replacement only for use outside of the United States, $83,375,000, in addition to which amount the unobligated balance as of September 30, 1978, in the basic account symbol assigned by the Treasury for the appropriation made available under this heading for the fiscal year 1977 and the unobligated balance as of September 30, 1978, in the basic account symbol assigned by the Treasury for the appropriation made available under this heading for the fiscal year 1978 are continued available for the fiscal year 1979 and, further, amounts obligated as of September 30, 1978, in the basic account symbol assigned by the Treasury for the appropriation made available under this heading for the fiscal year 1978 are, if deobligated, continued available for the fiscal year 1979, the total of all such funds made available not to exceed $210,375,000. The unobligated and obligated balances as of September 30, 1978, shall be merged with and accounted for under the same basic account symbol assigned by the Treasury for the appropriation made under this heading: *Provided*, That the Appropriations Committees of both Houses of the Congress are notified fifteen days in advance of the obligation of such deobligated funds for activities, programs, projects, type of materiel assistance, countries or other operations not justified or in excess of the amount justified for the fiscal year 1979: *Provided further*, That none of the funds contained under this heading shall be available for the purchase of new automotive vehicles outside of the United States.

INTERNATIONAL MILITARY EDUCATION AND TRAINING

International military education and training: For necessary expenses to carry out the provisions of section 541 of the Foreign
22 USC 2347. Assistance Act of 1961, as amended, $27,900,000, in addition to which amount the unobligated balance as of September 30, 1978, in the basic account symbol assigned by the Treasury for the appropriation made available under this heading for the fiscal year 1977 and the unobli-

gated balance as of September 30, 1978, in the basic account symbol assigned by the Treasury for the appropriation made available under this heading for the fiscal year 1978 are continued available for the fiscal year 1979 and, further, amounts obligated as of September 30, 1978, in the basic account symbol assigned by the Treasury for the appropriation made available under this heading for the fiscal year 1978 are, if deobligated, continued available for the fiscal year 1979, the total of all such funds made available not to exceed $28,755,000. The unobligated and obligated balances as of September 30, 1978, shall be merged with and accounted for under the same basic account symbol assigned by the Treasury for the appropriation made under this heading: *Provided*, That the Appropriations Committees of both Houses of the Congress are notified fifteen days in advance of the obligation of such deobligated funds for activities, programs, projects, type of materiel assistance, countries or other operations not justified or in excess of the amount justified for the fiscal year 1979.

GENERAL PROVISIONS

SEC. 101. None of the funds herein appropriated (other than funds appropriated for "International organizations and programs") shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource project or program which has not met the standards and criteria used in determining the feasibility of flood control, reclamation, and other water and related land resource programs and projects proposed for construction within the United States of America under the Principles and Standards for Planning Water and Related Land Resources dated October 25, 1973.

Water or land related resource project, prohibitions.

SEC. 102. Except for the appropriations entitled "Contingency fund", "International disaster assistance", and "United States emergency refugee and migration assistance fund", not more than 15 per centum of any appropriation item made available by this Act for fiscal year 1979 shall be obligated or reserved during the last month of availability.

SEC. 103. Unobligated balances as of September 30, 1978, of funds heretofore made available under the authority of the Foreign Assistance Act of 1961, as amended, for "International disaster assistance", "Middle East special requirements fund", and "United States emergency refugee and migration assistance fund" are hereby continued available for the fiscal year 1979, for the same appropriation account and for the same purposes for which appropriated.

SEC. 104. None of the funds herein appropriated nor any of the counterpart funds generated as a result of assistance hereunder or any prior Act shall be used to pay pensions, annuities, retirement pay, or adjusted service compensation for any persons heretofore or hereafter serving in the armed forces of any recipient country.

Pensions, annuities and certain compensation payment prohibition.

SEC. 105. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used for making payments on any contract for procurement to which the United States is a party entered into after the date of enactment of this Act which does not contain a provision authorizing the termination of such contract for the convenience of the United States.

Procurement contracts, payment prohibition.
22 USC 2151 note.

SEC. 106. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to pay in whole or in part any assessments, arrearages, or dues of any member of the United Nations.

United Nations members, assessments, payment prohibition.

SEC. 107. None of the funds contained in title I of this Act may be used to carry out the provisions of sections 209(d) and 251(h) of the Foreign Assistance Act of 1961, as amended.

22 USC 2169, 2211.

SEC. 108. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Uganda, Cambodia, Laos, or the Socialist Republic of Vietnam: *Provided, however*, That such prohibition shall not apply to graduate students from Uganda completing their studies at United States institutions.

Uganda, Cambodia, Laos, and the Socialist Republic of Vietnam, assistance prohibition, exception.

SEC. 109. Of the funds appropriated or made available pursuant to this Act, not to exceed $118,000 shall be for official residence expenses of the Agency for International Development during fiscal year 1979: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

SEC. 110. Of the funds appropriated or made available pursuant to this Act, not to exceed $13,000 shall be for entertainment expenses of the Agency for International Development during fiscal year 1979.

SEC. 111. Of the funds appropriated or made available pursuant to this Act, not to exceed $96,000 shall be for representation allowances of the Agency for International Development during fiscal year 1979: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

Nuclear material, assistance prohibitions.

22 USC 2151 note.

SEC. 112. None of the funds appropriated or made available (other than funds for "International organizations and programs") pursuant to this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to finance the export of nuclear equipment, fuel, or technology or to provide assistance for the training of foreign nationals in nuclear fields.

Human rights.

SEC. 113. Funds appropriated by this Act may not be obligated or expended to provide assistance to any country for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights.

Mozambique or Angola, assistance prohibition.

SEC. 114. None of the funds appropriated or made available pursuant to this Act shall be obligated or expended to finance directly any assistance to Mozambique or Angola; except that, such funds shall be available to finance the completion of the training of Angolan students who started training prior to fiscal year 1978.

SEC. 115. None of the funds made available by this Act may be obligated under an appropriation account to which they were not appropriated without the written prior approval of the Appropriations Committees of both Houses of the Congress.

TITLE II—FOREIGN MILITARY CREDIT SALES

FOREIGN MILITARY CREDIT SALES

For expenses not otherwise provided for, necessary to enable the President to carry out the provisions of sections 23 and 24 of the Arms Export Control Act, $654,500,000: *Provided*, That of the amount provided for the total aggregate credit sale ceiling during the current fiscal year, not less than $1,000,000,000 shall be allocated to Israel.

22 USC 2763, 2764.

TITLE III—FOREIGN ASSISTANCE (OTHER)

INDEPENDENT AGENCY ACTION—INTERNATIONAL PROGRAMS

PEACE CORPS

For expenses necessary for Action to carry out the provisions of the Peace Corps Act, as amended (22 U.S.C. 2501 et seq.), $95,000,000: *Provided*, That of the funds appropriated under this heading, not more than $320,000 shall be available for the United Nations Volunteer Program: *Provided further*, That none of the funds appropriated in this paragraph shall be used to pay for abortions.

DEPARTMENT OF STATE

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross and assistance to refugees, including contributions to the Intergovernmental Committee for European Migration and the United Nations High Commissioner for Refugees; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158); allowances as authorized by 5 U.S.C. 5921-5925; hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109; $111,544,200: *Provided*, That not to exceed $3,225,000 of this amount shall be available for refugees in Africa: *Provided further*, That $20,000,000 of these funds be expended only by the Department of Health, Education, and Welfare for the resettlement in the United States of Soviet and other refugees not currently covered by existing Federal refugee programs: *Provided further*, That these funds shall be administered in a manner that ensures equity in the treatment of all refugees receiving Federal assistance: *Provided further*, That no funds herein appropriated shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

For necessary expenses to carry out the provisions of section 2(c) of the Migration and Refugee Assistance Act of 1962, as amended (22 U.S.C. 2601(c)), $9,500,000, to remain available until expended.

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

For payment to the Asian Development Bank by the Secretary of the Treasury, $265,000,000, for the (1) United States share of the increase in subscriptions to the (a) paid-in capital stock, and (b) callable capital stock, and (2) the United States contribution to the increase in resources of the Asian Development Fund as authorized by the Act of October 3, 1977 (Public Law 95-118), to remain available until expended: *Provided*, That no such payment may be made while the United States Director to the Bank is compensated by the Bank at a rate which, together with whatever compensation such Direc- 22 USC 285t.

tor receives from the United States, is in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while any alternate United States Director to the Bank is compensated by the Bank in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

For payment to the Inter-American Development Bank by the Secretary of the Treasury, $763,728,483, for the United States share of (1) the increase in subscriptions to (a) paid-in capital stock, and (b) callable capital stock, and (2) the fifth replenishment of the resources of the Fund for Special Operations as authorized by the Act of May 31, 1976 (Public Law 94-302), to remain available until expended: *Provided*, That no such payment may be made while the United States Executive Director to the Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while the alternate United States Executive Director to the Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

22 USC 283w.

CONTRIBUTION TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the International Bank for Reconstruction and Development by the Secretary of the Treasury, $163,079,165, for the United States share of the increase in subscriptions to the (1) paid-in capital stock, and (2) callable capital stock, as authorized by the Act of October 3, 1977 (Public Law 95-118), to remain available until expended: *Provided*, That no such payment may be made while the United States Executive Director to the Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while the alternate United States Executive Director to the Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

22 USC 282u.

CONTRIBUTION TO THE INTERNATIONAL FINANCE CORPORATION

For payment to the International Finance Corporation by the Secretary of the Treasury, $40,045,100, for the United States share of the increase in subscriptions to capital stock, as authorized by the Act of October 3, 1977 (Public Law 95-118), to remain available until expended.

22 USC 285s.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment to the International Development Association by the Secretary of the Treasury, $458,000,000 for the United States contribution to the fourth replenishment as authorized by the Act of August 14, 1974 (Public Law 93-373), to remain available until expended and $800,000,000, for the second installment of the United

22 USC 284*l*.

States contribution to the fifth replenishment as authorized by the Act of October 3, 1977 (Public Law 95-118), to remain available until expended: *Provided*, That no such payment may be made while the United States Executive Director to the International Bank for Reconstruction and Development is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while the alternate United States Executive Director to the Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code. 22 USC 284a.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

For payment to the African Development Fund by the Secretary of the Treasury, $25,000,000, for the United States contribution to the increase in resources as authorized by the Act of October 3, 1977 (Public Law 95-118), to remain available until expended. 22 USC 290g-10.

FUTURE UNITED STATES CONTRIBUTIONS TO THE INTERNATIONAL FINANCIAL INSTITUTIONS

It is the sense of the Congress that the United States share of contributions to future replenishments of the International Financial Institutions should not exceed the percentages enumerated below for each of the respective accounts within these institutions: 22 USC 262c note.

Asian Development Bank:
Paid-in capital, 16.3 percent;
Callable capital, 16.3 percent;
Asian Development Fund, 22.2 percent;
African Development Bank:
Special Fund, 18 percent;
Inter-American Development Bank:
Paid-in capital, 34.5 percent;
Callable capital, 34.5 percent;
Fund for Special Operations, 40 percent;
International Bank for Reconstruction and Development:
Paid-in capital, 24 percent;
Callable capital, 24 percent;
International Development Association, 25 percent;
International Finance Corporation, 23 percent.

TITLE IV—EXPORT-IMPORT BANK OF THE UNITED STATES

The Export-Import Bank of the United States is hereby authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, except as hereinafter provided: *Provided*, That none of the funds available during the current fiscal year may be used to make expenditures, contracts, or commitments for the export of nuclear equipment, fuel, or technology to any country other than a nuclear-weapon State as defined in Article IX of the Treaty on the 31 USC 849.

Non-Proliferation of Nuclear Weapons eligible to receive economic or military assistance under this Act that has detonated a nuclear explosive after the date of enactment of this Act.

LIMITATION ON PROGRAM ACTIVITY

Not to exceed $5,347,345,000 (of which not to exceed $3,750,000,000 shall be for direct loans) shall be authorized during the current fiscal year for other than administrative expenses.

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $13,515,000 (to be computed on an accrual basis) shall be available during the current fiscal year for administrative expenses, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, and not to exceed $24,000 for entertainment allowances for members of the Board of Directors: *Provided*, That (1) fees or dues to international organizations of credit institutions engaged in financing foreign trade, (2) necessary expenses (including special services performed on a contract or a fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, and (3) expenses (other than internal expenses of the Bank) incurred in connection with the issuance and servicing of guarantees, insurance, and reinsurance, shall be considered as nonadministrative expenses for the purposes hereof.

TITLE V—UNITED STATES PARTICIPATION, SUPPLEMENTARY FINANCING FACILITY, INTERNATIONAL MONETARY FUND

For the purpose of participation by the United States, in an amount equivalent to 1,450,000,000 Special Drawing Rights, in the Supplementary Financing Facility established by decision numbered 5508–(77/127) of the Executive Directors of the Fund, as provided in the decision numbered 5509–(77/127) of the Fund, and for the expenditures resulting therefrom, not to exceed $1,831,640,000, to remain available until the termination of the facility: *Provided*, That no such payment may be made while the United States Executive Director to the International Monetary Fund is compensated by the Fund at a rate in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while the alternate United States Executive Director to the Fund is compensated by the Fund at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

TITLE VI—GENERAL PROVISIONS

Publicity or propaganda.

SEC. 601. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

Fiscal year.

SEC. 602. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided here.n.

Countries in default.

SEC. 603. No part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act.

Office of the Inspector General of Foreign Assistance, prohibition.

SEC. 604. None of the funds appropriated by this Act shall be available for the Office of the Inspector General of Foreign Assistance.

Certain international financial institutions, prohibition.

SEC. 605. None of the funds appropriated or made available pursuant to this Act shall be available to any international financial institution whose United States' representative cannot upon request obtain the amounts and the names of borrowers for all loans of the international financial institution, including loans to employees of the inst.tution, or the compensation and related benefits of employees of the institution.

Cuba, assistance prohibition.

SEC. 606. None of the funds appropriated in this Act shall be used for any form of aid or trade, either by monetary payment or by the sale or transfer of any goods of any nature, directly to Cuba.

Terrorism, prohibitions.

SEC. 607. None of the funds appropriated or otherwise made available by this Act to the Export-Import Bank and funds appropriated by this Act for direct foreign assistance may be obligated for any government which aids or abets, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism, unless the President of the United States finds that the national security requires otherwise.

Financial assistance for expanding production for commodities of other countries, prohibition.

SEC. 608. None of the funds appropriated or made available pursuant to this Act for direct foreign assistance and none of the funds otherwise made available pursuant to this Act to the Export-Import Bank and the Overseas Private Investment Corporation shall be obligated or expanded to finance any loan, any assistance or any other financial commitments for establishing or expanding production of any commodity for export by any country other than the United States, if the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and if the assistance will cause substantial injury to United States producers of the same, similar or competing commodity: *Provided*, That such prohibition shall not apply to the Export-Import Bank if in the judgment of its Board of Directors the benefits to industry and employment in the United States are likely to outweigh the injury to United States producers of the same, similar or competing commodity.

World financial institutions, assistance for commodities in surplus on world markets, prohibition.
22 USC 262h.

SEC. 609. The Secretary of the Treasury shall instruct the United States executive directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank and the Asian Development Bank, and the executive director representing the United States at the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or made available pursuant to this Act, for the production of any commodity for export, if it is in surplus on world markets and if the assistance will cause substantial injury to United States producers of the same, similar or competing commodity.

78-194 O—80—pt. 2——21 : QL3

Presidential consultations with OECD. 22 USC 2169 note.

SEC. 610. The President shall initiate wide international consultations beginning with the member nations of the Organization of Economic Cooperation and Development (OECD), designed to develop a viable standard governing the allocation of development assistance for the production and export of commodities. Such consultations shall relate to commodities which are in surplus in the world market and if produced for export would cause substantial harm to producers of the same, similar or competing products. Not later than one year after the enactment of this Act the President shall report to the President of the Senate, the Speaker of the House of Representatives, and the Chairmen of the House and Senate Appropriations Committees on the progress made in carrying out this section.

Presidential report to Congress.

Human rights standards. 22 USC 262d note.

SEC. 611. The President shall direct the United States Governor of the International Bank for Reconstruction and Development, the United States Governor of the International Finance Corporation, the United States Governor of the International Development Association, the United States Governor of the Inter-American Development Bank, the United States Governor of the Asian Development Bank, and the United States Governor of the African Development Fund, to propose and seek adoption of an amendment to the Articles of Agreement for their respective institutions to establish human rights standards to be considered in connection with each application for assistance.

Short title.

This Act may be cited as the "Foreign Assistance and Related Programs Appropriations Act, 1979".

Approved October 18, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-1250 (Comm. on Appropriations) and No. 95-1754 (Comm. of Conference).

SENATE REPORT No. 95-1194 (Comm. on Appropriations).

CONGRESSIONAL RECORD, Vol. 124 (1978):

July 31, Aug. 2-4, 14, considered and passed House.

Sept. 21, 22, considered and passed Senate, amended.

Oct. 12, House agreed to conference report; concurred in certain Senate amendments, in others with amendments, insisted on disagreement to Senate amendment No. 63.

Oct. 13, Senate agreed to conference report; concurred in House amendments, receded from amendment No. 63.

Public Law 95-482
95th Congress

Joint Resolution

Making continuing appropriations for the fiscal year 1979, and for other purposes.

Oct. 18, 1978
[H.J. Res. 1139]

Continuing appropriations, FY 1979.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units of the Government for the fiscal year 1979, namely:

SEC. 101. (a) Such amounts as may be necessary for continuing the following activities, not otherwise provided for, which were conducted in fiscal year 1978, but at a rate for operations not in excess of the current rate:

activities under the Community Services Act;
activities under the Environmental Education Act; 42 USC 2701 note.
activities under the Educational Television Broadcasting Facilities and Telecommunications Demonstration Act; 20 USC 1531 note.
activities under the Social Security Act; 47 USC 390 note.
activities under the Older Americans Act including provision of cash or commodities; 42 USC 1305.
activities under the Rehabilitation Act; 42 USC 3001 note.
activities under the International Health Research Act; 29 USC 701 note.
activities under the Developmental Disabilities Services and Facilities Construction Act; 22 USC 2101 note.
activities under the Public Health Service Act; 42 USC 2661 note.
activities under the Lead-based Paint Poisoning Prevention Act; 42 USC 201 note.
activities under the Community Mental Health Center Act; 42 USC 4801 note.
activities under the Alcohol and Drug Abuse Education Act; 42 USC 2681 note.
activities under the Child Abuse Prevention and Treatment Act; 21 USC 1001 note.
activities under the Runaway Youth Act; 42 USC 5101 note.
activities under the Comprehensive Employment and Training Act, except that such activities shall be continued at a rate for operations not in excess of the lower of the current rate or the rate authorized by S. 2570 as passed the House of Representatives; 42 USC 5701 note.
activities under the Domestic Volunteer Services Act; 29 USC 801 note.
activities under the Public Broadcasting Financing Act; 42 USC 4951 note.
activities for support of Home Health Services under Public Law 94-63; and 47 USC 396 note.
activities under the Drug Abuse Office and Treatment Act. 12 USC 246 note.

(b) Such amounts as may be necessary, notwithstanding any other provision of this joint resolution, for the fiscal year ending September 30, 1979, for programs, projects, and activities to the extent and in the manner provided for in the Energy and Water Development Appropriation Act, 1979 (H.R. 12928) as enacted by the Congress: *Provided*, That no funds shall be available for the Narrows Unit, Colorado; Bayou Bodcau and Tributaries, Louisiana; Yatesville Lake, Kentucky; Fruitland Mesa, Colorado; Savery-Pot Hook, Colorado and Wyoming; and Lukfata Lake, Oklahoma, projects: 21 USC 1101 note.

Provided further, That no funds shall be available for construction of the Animas-La Plata, Colorado; McGee Creek, Oklahoma; Uintah Unit and Upalco Unit of the Central Utah Project, Utah; Kaskaskia Island Drainage and Levee District, Illinois; Units L611-614, Missouri River Levee System, Iowa; Cedar River Harbor, Michigan; Milan, Illinois; Arcadia Lake, Oklahoma; Burlington Dam, North Dakota; and Big Pine Lake, Texas, projects; but funds shall be made available to continue planning of these projects: *Provided further*, That sections 201 and 305 of said Act are not applicable to the funds and authority made available by this subsection: *Provided further*, That the paragraph in said Act entitled "Office of the Secretary, water resources planning" is not applicable to the funds and authority made available by this subsection: *Provided further*, That there is hereby appropriated for the Water Resources Council for expenses necessary in carrying out the provisions of the Water Resources Planning Act of 1965 (42 U.S.C. 1962–1962d–3), as amended, including services as authorized by 5 U.S.C. 3109 and 42 U.S.C. 1962a–4(5), and hire of passenger motor vehicles (42 U.S.C. 1962a–4(6)), $12,681,900, to remain available until expended, including $2,668,000, for expenses in administering the Act (42 U.S.C. 1962d(b)), $2,480,900 for preparation of assessments and plans (42 U.S.C. 1962d(c)), $1,047,000 for preparation of plans (33 U.S.C. 1289), $2,886,000 for expenses of river basin commissions under title II of the Act (42 U.S.C. 1962d(a)), and $3,000,000 for grants to States under title III of the Act (42 U.S.C. 1962c(a)), and $600,000 for groundwater studies in the Delaware River Basin and Susquehanna River Basin.

42 USC 1962b.

SEC. 102. Appropriations and funds made available and authority granted pursuant to this joint resolution shall be available from October 1, 1978, and shall remain available until (a) enactment into law of an appropriation for any project or activity provided for in this joint resolution, or (b) enactment of the applicable appropriation Act by both Houses without any provision for such project or activity, or (c) September 30, 1979, whichever first occurs.

SEC. 103. Appropriations and funds made available or authority granted pursuant to this joint resolution may be used without regard to the time limitations for submission and approval of apportionments set forth in section 665(d)(2) of title 31, United States Code, but nothing herein shall be construed to waive any other provision of law governing the apportionment of funds.

SEC. 104. Appropriations made and authority granted pursuant to this joint resolution shall cover all obligations or expenditures incurred for any project or activity during the period for which funds or authority for such project or activity are available under this joint resolution.

SEC. 105. Expenditures made pursuant to this joint resolution shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law.

SEC. 106. No appropriation or fund made available or authority granted pursuant to this joint resolution shall be used to initiate or resume any project or activity for which appropriations, funds, or other authority were not available during the fiscal year 1978.

SEC. 107. Any appropriation for the fiscal year 1979 required to be apportioned pursuant to section 665 of title 31, United States Code, may be apportioned on a basis indicating the need (to the extent any such increases cannot be absorbed within available appropriations) for a supplemental or deficiency estimate of appropriation to the extent necessary to permit payment of such pay increases as may be granted pursuant to law to civilian officers and employees and to active and retired military personnel. Each such appropriation shall otherwise be subject to the requirements of section 665 of title 31, United States Code.

SEC. 108. All obligations incurred in anticipation of the appropriations and authority provided in this joint resolution are hereby ratified and confirmed if otherwise in accordance with the provisions of this joint resolution.

SEC. 109. Section 406 of Public Law 95-426 is repealed.

SEC. 110. Title II of the Department of Transportation and Related Agencies Appropriation Act, 1979 (Public Law 95-335), is amended by striking out under the heading "UNITED STATES RAILWAY ASSOCIATION" "PAYMENTS FOR PURCHASE OF CONRAIL SECURITIES" all that follows after the last comma and inserting in lieu thereof a period.

Repeal.
Ante, p. 979.
Ante, p. 445.

SEC. 111. For payment to the Rhode Island Indian Claims Settlement Fund, as authorized by Public Law 95-395, $3,500,000, to remain available until expended.

Ante, p. 813.

SEC. 112. Section 105(e)(3) of the Legislative Branch Appropriation Act, 1968, as amended and modified (2 U.S.C. 61-1(e)(3)), is amended—

(1) by striking out "four" in subparagraph (A) and inserting in lieu thereof "two";

(2) by striking out "two such" in subparagraph (A) and inserting in lieu thereof "four such"; and

(3) by striking out "three such" in subparagraph (B) and inserting in lieu thereof "five such".

SEC. 113. (a) The Secretary of Commerce (hereinafter in this section referred to as the "Secretary") is authorized to award grants to the United States Olympic Committee (hereinafter in this section referred to as "the Corporation") to assist in the development of amateur athletics in the United States. The Corporation may apply to the Secretary for funds available under this section, and shall use such funds consistent with the provisions of the Amateur Sports Act of 1978. The Secretary may approve any application which meets the requirements of this section, and award grants to the Corporation in a total sum not exceeding $16,000,000 to finance the construction, improvement, and maintenance of facilities for programs of amateur athletic activity and to defray direct operating costs of programs of amateur athletic activity, consistent with section 104 of the Act entitled "An Act to incorporate the United States Olympic Association", approved September 1, 1950 (36 U.S.C. 371 et seq.), as amended by the Amateur Sports Act of 1978.

36 USC 384.

(b) The Corporation shall, on or before the first day of June of each year, transmit to the Congress a report which shall include a detailed accounting of the funds made available to the Corporation by the Sec-

Report to Congress.

retary pursuant to subsection (a) and a comprehensive description of those projects which the Corporation anticipates it will finance during the next fiscal year with funds authorized by this section.

(c) Each application for funds available under this section shall be in such form as the Secretary shall provide and shall contain provisions to assure that such funds are disbursed in accordance with the provisions of this section. For the purpose of review or audit, the Secretary shall have access to any books, documents, papers, and records which are relevant to any grant received under this section.

(d) There are authorized to be appropriated to the Secretary not to exceed $16,000,000 in fiscal year 1980, such sums to remain available until expended.

Approved October 18, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1599 (Comm. on Appropriations).
SENATE REPORT No. 95-1317 (Comm. on Appropriations).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 26, considered and passed House.
Oct. 15, considered and passed Senate, amended; House agreed to Senate amendments.

Public Law 95-483
95th Congress

An Act

To provide for the regulation of rates or charges by certain state-owned carriers in the foreign commerce of the United States, and for other purposes.

Oct. 18, 1978
[H.R. 9998]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Ocean Shipping Act of 1978".

Ocean Shipping Act of 1978.
46 USC 842 note.

SEC. 2. The first section of the Shipping Act, 1916, as amended (46 U.S.C. 801), is further amended by inserting the following definition of the term "controlled carrier" immediately following the definition of the term "common carrier by water":

"The term 'controlled carrier' means a common carrier by water operating, offering, or proposing to offer service in the foreign commerce of the United States which carrier is or whose operating assets are directly or indirectly owned or controlled by the government under whose registry the vessels of the controlled carrier operate. Ownership or control by such government shall be deemed to exist if a majority portion of the interest in the carrier is owned or controlled in any manner by such government, by any agency of the government, or by any person, corporation, or entity controlled by such government. Ownership or control shall also be deemed to exist if the government has the right to appoint or disapprove the appointment of a majority of the directors or the chief operating or executive officer of the carrier".

"Controlled carrier."

SEC. 3. Section 18 of the Shipping Act, 1916, as amended (46 U.S.C. 817), is further amended by adding at the end thereof, the following new subsection:

"(c)(1) No controlled carrier subject to this Act shall maintain rates or charges in its tariffs filed with the Commission that are below a level which is just and reasonable, nor shall any such carrier establish or maintain unjust or unreasonable classifications, rules, or regulations in such tariffs. An unjust or unreasonable classification, rule, or regulation means one which results or is likely to result in the carriage or handling of cargo at rates or charges which are below a level which is just and reasonable. The Commission may at any time after notice and hearing, disapprove any rates, charges, classifications, rules, or regulations which the controlled carrier has failed to demonstrate to be just and reasonable. In any proceeding under this subsection, the burden of proof shall be on the controlled carrier to demonstrate that its rates, charges, classifications, rules, or regulations are just and reasonable. Rates, charges, classifications, rules, or regulations filed by a controlled carrier which have been rejected, suspended, or disapproved by the Commission are void, and their use is unlawful.

Notice and hearing.

"(2) For the purpose of this subsection, in determining whether rates, charges, classifications, rules, or regulations by a controlled carrier are just and reasonable, the Commission may take into account appropriate factors, including, but not limited to, whether: (i) the rates or charges which have been filed or which would result from the pertinent classifications, rules, or regulations are below a level which is fully compensatory to the controlled carrier based upon that carrier's

actual costs or upon its constructive costs, which are hereby defined as the costs of another carrier, other than a controlled carrier, operating similar vessels and equipment in the same or a similar trade; (ii) the rates, charges, classifications, rules, or regulations are the same as or similar to those filed or assessed by other carriers in the same trade; (iii) the rates, charges, classifications, rules, or regulations are required to assure movement of particular cargo in the trade; or (iv) the rates, charges, classifications, rules, or regulations are required to maintain acceptable continuity, level, or quality of common carrier service to or from affected ports.

"(3) Notwithstanding the provisions of subsection (b)(2) of this section, rates, charges, classifications, rules, or regulations of controlled carriers shall not, without special permission of the Commission, become effective within less than thirty days following the date of filing with the Commission. Following the effective date of this subsection, each controlled carrier shall, upon the request of the Commission, file within twenty days of request, with respect to its existing or proposed rates, charges, classifications, rules, or regulations a statement of justification which sufficiently details the controlled carrier's need and purpose for such rates, charges, classifications, rules, or regulations, upon which the Commission may reasonably base its determination of the lawfulness thereof.

"(4) Whenever the Commission is of the opinion that the rates, charges, classifications, rules, or regulations filed by a controlled carrier may be unjust and unreasonable, the Commission may issue an order to the controlled carrier to show cause why such rates, charges, classifications, rules, or regulations should not be disapproved. Pending a determination as to their lawfulness in such a proceeding, the Commission may suspend such rates, charges, classifications, rules, or regulations at any time prior to their effective date. In the case of any rates, charges, classifications, rules, or regulations which have already become effective, the Commission may, upon the issuance of an order to show cause, suspend such rates, charges, classifications, rules, or regulations on not less than sixty days notice to the controlled carrier. No period of suspension hereunder may be greater than one hundred and eighty days. Whenever the Commission has suspended any rates, charges, classifications, rules, or regulations under this provision, the affected carrier may file new rates, charges, classifications, rules, or regulations to take effect immediately during the suspension period in lieu of the suspended rates, charges, classifications, rules, or regulations: *Provided, however*, That the Commission may reject such new rates, charges, classifications, rules, or regulations if it is of the opinion that they are unjust and unreasonable.

"(5) Concurrently with the publication thereof, the Commission shall transmit to the President any order of suspension or final order of disapproval of rates, charges, classifications, rules, or regulations of a controlled carrier subject to the provisions of this subsection. Within ten days after the receipt or the effective date of such Commission order, whichever is later, the President may request the Commission in writing to stay the effect of the Commission's order if he finds that such stay is required for reasons of national defense or foreign policy which reasons shall be specified in the report. Notwithstanding any other provision of law, the Commission shall immediately grant such request by the issuance of an order in which the President's request shall be described. During any such stay, the President shall, whenever practicable, attempt to resolve the matter in controversy by negotiation with representatives of the applicable foreign governments.

"(6) The provisions of this subsection shall not apply to: (i) any controlled carrier of a state whose vessels are entitled by a treaty of the United States to receive national or most-favored-nation treatment; (ii) any controlled carrier of a state which, on the effective date of this subsection, has subscribed to the statement of shipping policy contained in note 1 to annex A of the Code of Liberalization of Current Invisible Operations, adopted by the Council of the Organization for Economic Cooperation and Development; (iii) rates, charges, classifications, rules, or regulations of any controlled carrier in any particular trade which are covered by an agreement approved under section 15 of this Act, other than an agreement in which all of the members are controlled carriers not otherwise excluded from the provisions of this subsection; (iv) rates, charges, classifications, rules, or regulations governing the transportation of cargo by a controlled carrier between the country by whose government it is owned or controlled, as defined herein, and the United States, or any of its districts, territories, or possessions; or (v) a trade served exclusively by controlled carriers.".

SEC. 4. The provisions of this Act, including the amendments made by this Act, shall become effective thirty days after its date of enactment.

Effective date.
46 USC 801 note.

Approved October 18, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1381 (Comm. on Merchant Marine and Fisheries).
SENATE REPORT No. 95-1260 (Comm. on Commerce, Science, and Transportation).
CONGRESSIONAL RECORD, Vol. 124 (1978):
July 31, considered and passed House.
Oct. 3, considered and passed Senate.

Public Law 95-484
95th Congress

An Act

Oct. 19, 1978
[H.R. 13797]

To authorize establishment of the Fort Scott National Historic Site, Kansas, and for other purposes.

Fort Scott National Historic Site, Kans. Establishment.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to commemorate the significant role played by Fort Scott in the opening of the West, as well as the Civil War and the strife in the State of Kansas that preceded it, the Secretary of the Interior may acquire by donation the land and interests in land, together with buildings and improvements thereon, known as Fort Scott, located in the city of Fort Scott, Bourbon County, Kansas: *Provided*, that the buildings so acquired shall not include the structure known as "Lunette Blair".

Publication in Federal Register. 16 USC 461 note.

SEC. 2. When the site of Fort Scott has been acquired by the United States as provided in section 1 of this Act, the Secretary of the Interior shall establish such area as the Fort Scott National Historic Site, by publication of notice and boundary map thereof in the Federal Register.

Administration.

SEC. 3. The Secretary of the Interior shall administer, protect, develop, and maintain the Fort Scott National Historic Site subject to the provisions of the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (39 Stat. 535), as amended and supplemented, and the provisions of the Act entitled "An Act to provide for the preservation of historic America sites, buildings, objects, and antiquities of national significance, and for other purposes", approved August 21, 1935 (49 Stat. 666).

43 USC 1457.

16 USC 461.

Repeal.

SEC. 4. Sections 3 and 4 of the Act entitled "An Act to provide for the commemoration of certain historical events in the State of Kansas, and for other purposes", approved August 31, 1965 (79 Stat. 588), as amended, are hereby repealed: *Provided*, That all obligations pursuant to contracts for the development and construction of Fort Scott heretofore entered into by the city of Fort Scott to be paid with funds under the authority of section 3 of the aforesaid Act, shall be assumed by the Secretary: *Provided further*, That any remaining balance of funds appropriated pursuant to section 4 of the Act of August 31, 1965, as amended, shall be available for the purposes of carrying out this Act.

Appropriation authorization.

SEC. 5. In addition to such sums as might be made available to the historic site by the preceding section, effective October 1, 1979, there are hereby authorized to be appropriated such sums as may be necessary for the development of the Fort Scott National Historic Site, as provided in this Act.

Approved October 19, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1644 (Comm. on Interior and Insular Affairs).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 29, considered and passed House.
Oct. 4, considered and passed Senate.

Public Law 95-485
95th Congress

An Act

To authorize appropriations for fiscal year 1979 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes.

Oct. 20, 1978
[S. 3486]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Defense Appropriation Authorization Act, 1979".

Department of Defense Appropriation Authorization Act, 1979.

TITLE I—PROCUREMENT

SEC. 101. Funds are hereby authorized to be appropriated for fiscal year 1979 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, as authorized by law, in amounts as follows:

AIRCRAFT

For aircraft: for the Army, $972,400,000; for the Navy and Marine Corps, $4,381,100,000; for the Air Force, $7,028,200,000.

MISSILES

For missiles: for the Army, $738,100,000; for the Navy, $1,583,700,000; for the Marine Corps, $23,100,000; for the Air Force, $1,626,500,000.

NAVAL VESSELS

For naval vessels: for the Navy, $4,470,500,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, $1,419,400,000; for the Marine Corps, $24,300,000.

TORPEDOES

For torpedoes and related support equipment: for the Navy, $366,800,000.

OTHER WEAPONS

For other weapons: for the Army, $109,000,000; for the Navy, $102,000,000; for the Marine Corps, $30,200,000; for the Air Force, $300,000.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. Funds are hereby authorized to be appropriated for fiscal year 1979 for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, $2,661,701,000.

For the Navy (including the Marine Corps), $4,504,268,000.

For the Air Force, $4,164,500,000, of which $10,000,000 may be obligated and expended only for the North Atlantic Treaty Organization Airborne Warning and Control System (AWACS) program, but such $10,000,000 may not be obligated or expended until at least one member country of the North Atlantic Treaty Organization (other than the United States) enters into a contract to purchase the AWACS aircraft.

For the Defense Agencies, $933,400,000, of which $27,600,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

EXTREMELY LOW FREQUENCY (ELF) COMMUNICATION SYSTEM

Presidential certification to Congress.

SEC. 202. None of the funds authorized to be appropriated by this Act for the development of the Extremely Low Frequency (ELF) communication system may be obligated or expended for the development of such system unless the President certifies to the Congress in writing that the use of funds for such purpose is in the national interest, that a site has been selected for the deployment of such system, and that the President has approved such site for the deployment of such system, and in no event may any of the funds authorized to be appropriated by this Act be used for full scale development or construction of another test-bed facility for an Extremely Low Frequency (ELF) communication system.

REPORT RELATING TO DEVELOPMENT OF SURVIVABLE LAND-BASED INTERCONTINENTAL BALLISTIC MISSILE SYSTEM

Report to congressional committees.

SEC. 203. The Secretary of Defense shall, not later than October 31, 1978, report to the Committees on Armed Services of the Senate and the House of Representatives the decision of the executive branch regarding full scale development of a survivable land-based intercontinental ballistic missile system. In the event that no final decision regarding such matter has been reached by the executive branch by such date, the Secretary of Defense shall—

(1) notify such committees on or before such date that no final decision has been reached and the reasons why such decision has not been made;

(2) inform such committees of the technical, political, or other considerations necessitating a delay in making such decision;

(3) indicate the date the Secretary believes a final decision will have been made with respect to such matter; and

(4) submit a report to such committees once every 30 days on the status of the decision on such matter (including in each such report information relating to the matters contained in clauses (2) and (3) of this section) until a final decision by the executive branch has been made and such committees have been informed of such decision.

REPEAL OF FISCAL YEAR 1978 AWACS RESTRICTION

SEC. 204. Section 201 of the Department of Defense Appropriation Authorization Act, 1978 (Public Law 95-79, 91 Stat. 323), is amended by striking out ", but such $15,700,000 may not be obligated or expended until at least one member country of the North Atlantic Treaty Organization (other than the United States) enters into a contract to purchase the AWACS aircraft".

TITLE III—ACTIVE FORCES

SEC. 301. For fiscal year 1979, each component of the Armed Forces is authorized an end strength for active duty personnel as follows:

(1) The Army, 775,800.
(2) The Navy, 523,550.
(3) The Marine Corps, 190,000.
(4) The Air Force, 566,400.

TITLE IV—RESERVE FORCES

SEC. 401. (a) For fiscal year 1979, the Selected Reserve of each Reserve Component of the Armed Forces shall be programmed to attain an average strength of not less than the following:

(1) The Army National Guard of the United States, 362,200.
(2) The Army Reserve, 195,750.
(3) The Naval Reserve, 87,000.
(4) The Marine Corps Reserve, 33,000.
(5) The Air National Guard of the United States, 92,150.
(6) The Air Force Reserve, 53,075.
(7) The Coast Guard Reserve, 11,700.

(b) The average strength prescribed by subsection (a) of this section for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members. Reduction.

EDUCATIONAL ASSISTANCE PROGRAM FOR ENLISTED RESERVES

SEC. 402. (a) Section 2132(b)(1) of title 10, United States Code, relating to eligibility for educational assistance, is amended—

(1) by striking out "automatically extended by two years" and inserting in lieu thereof "not less than six years"; and

(2) by striking out "eighth anniversary" and inserting in lieu thereof "last day of the term".

(b) Section 2135 of title 10, United States Code, is amended by striking out "1978" and inserting in lieu thereof "1980".

REENLISTMENT BONUS FOR MEMBERS OF SELECTED RESERVE

SEC. 403. (a) Subsection (a) of section 308b of title 37, United States Code, relating to reenlistment bonuses for members of the Selected Reserve, is amended to read as follows:

"(a) An enlisted member of a reserve component who—

"(1) has completed less than ten years of total military services; and

"(2) reenlists or voluntarily extends his enlistment for a period of three years or for a period of six years in a designated military skill, or in a designated unit, as determined by the Secretary concerned, in the Selected Reserve of the Ready Reserve of an armed force;

may be paid a bonus as provided in subsection (b).".

(b) Subsection (b) of such section is amended by inserting "an amount not to exceed" before "$450", before "$900", and before "$150".

(c) Subsection (g) of such section is amended by striking out "1978" and inserting in lieu thereof "1980".

BONUS FOR ENLISTMENT IN THE SELECTED RESERVE

SEC. 404. (a) Chapter 5 of title 37, United States Code, is amended by inserting after section 308b the following new section:

37 USC 308c.

"§ 308c. Special pay: bonus for enlistment in the Selected Reserve

"(a) Any person who, after September 30, 1978, enlists in the Selected Reserve of the Ready Reserve of an armed force for a term of enlistment of not less than six years, is a graduate of a secondary school, and has never previously served in an armed force may be paid a bonus as provided in subsection (b).

"(b) The amount and method of payment of a bonus to be paid under subsection (a) shall be determined in accordance with regulations prescribed under subsection (c), except that the amount of such bonus may not exceed $2,000 and—

"(1) one-half of the bonus shall be paid upon completion of the initial active duty for training of such person; and

"(2) the remainder of the bonus may be paid in periodic installments or in a lump sum, as determined by the Secretary concerned.

Administration.

"(c) This section shall be administered under regulations prescribed by the Secretary of Defense for the armed forces under his jurisdiction and by the Secretary of Transportation for the Coast Guard when it is not operating as a service in the Navy.

Refund.

"(d) A member who fails to participate satisfactorily in training with his unit during a term of enlistment for which a bonus has been paid to him under this section shall refund an amount which bears the same ratio to the amount of the bonus which has been paid to him as the unexpired part of such term of enlistment bears to the total length of such term of enlistment.

Reports to Congress.

"(e) The Secretary of defense shall submit a report to the Congress every three months stating the number of members of the Selected Reserve of the Ready Reserve who at the time of such report are serving a term of enlistment for which a bonus has been paid under this section and listing each unit of the Selected Reserve of the Ready Reserve to which any such member is assigned at the time of such report. The first such report shall be made not later than December 31, 1978.

"(f) No bonus may be paid under this section to any enlisted member who, after September 30, 1980, enlists in the Selected Reserve of the Ready Reserve of an armed force.".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 308b the following new item:

"308c. Special pay: bonus for enlistment in the Selected Reserve.".

RESTRICTION ON TRANSFER FROM READY RESERVE TO STANDBY RESERVE

SEC. 405. (a)(1) Section 269 of title 10, United States Code, relating to transfers from the Ready Reserve, is amended—

(A) by striking out "eligible to transfer" in subsection (a) and inserting in lieu thereof "transferred";

(B) by striking out the colon at the end of the third sentence in subsection (d) and inserting in lieu thereof a period;

(C) by striking out subsection (e) and inserting in lieu thereof the following:

"(e) Subject to subsection (g) and under regulations prescribed by the Secretary of Defense, and by the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, a member in the Ready Reserve may be transferred to the Standby Reserve."; and

(D) by striking out subsection (f) and inserting in lieu thereof the following:

"(f) A Reserve who is qualified and so requests may be transferred to the Retired Reserve under regulations prescribed by the Secretary concerned and, in the case of the Secretary of a military department, approved by the Secretary of Defense.".

(2) The amendments made by paragraph (1) shall not apply with respect to a member of the Ready Reserve of an Armed Force who served on active duty (other than for training) before the date of the enactment of this Act. 10 USC 269 note.

(b) Section 271 of such title, relating to continuous screening of the Ready Reserve, is amended— 10 USC 271.

(1) by inserting "(a)" before "Under regulations";

(2) by striking out "significance" in clause (1) and inserting in lieu thereof "significant"; and

(3) by adding at the end thereof the following new subsection: Regulations.

"(b) Under regulations to be prescribed by the Secretary of Defense, and by the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, any member of the Ready Reserve who is designated as a member not to be retained in the Ready Reserve as a result of screening under subsection (a) shall, as appropriate, be transferred to the Standby Reserve, discharged, or, if such member is eligible and applies therefor, transferred to the Retired Reserve.".

(c)(1) Section 511(b) of such title, relating to terms of enlistments in Reserve components, is amended— Enlistment terms. 10 USC 511.

(A) in the first sentence—

(i) by striking out "the Secretary concerned" and inserting in lieu thereof "the Secretary of Defense, and by the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy"; and

(ii) by striking out "sections 451–473 of title 50, appendix" and inserting in lieu thereof "the Military Selective Service Act (50 U.S.C. App. 451–473)"; and

(B) in the second sentence—

(i) by inserting "not less than" in clause (1) before "two years" and by adding "and" at the end of such clause;

(ii) by striking out clause (2); and

(iii) by redesignating clause (3) as clause (2) and striking out "Standby Reserve" in such clause and inserting in lieu thereof "Ready Reserve".

10 USC 511 note.

(2) The amendments made by paragraph (1) shall not apply with respect to a person who enlisted as a Reserve for service in the Armed Forces under section 511(b) of title 10, United States Code, before the date of the enactment of this Act.

(d)(1) Chapter 37 of such title, relating to general service requirements, is amended by adding after section 651 the following new section:

10 USC 652.

"§ 652. Ready Reserves: requirement of notification of change of status

"Under regulations to be prescribed by the Secretary of Defense, and by the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, each member of the Ready Reserve who is not a member of the Selected Reserve shall notify the Secretary concerned of any change in such member's address, marital status, number of dependents, or civilian employment and of any change in such member's physical condition which would prevent him from meeting the physical or mental standards prescribed for his armed force.".

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 651 the following new item:

"652. Ready Reserves: requirement of notification of change of status.".

REPEAL OF REQUIREMENT FOR ANNUAL REPORT ON RESERVE FORCES

SEC. 406. (a) Section 264 of title 10, United States Code, is amended by striking out subsection (c).

Repeal.

(b)(1) Section 279 of such title is repealed.

10 USC 279.

(2) The table of sections at the beginning of chapter 11 of such title is amended by striking out the item relating to section 279.

TITLE V—CIVILIAN PERSONNEL

End strength.

SEC. 501. (a) For fiscal year 1979, the Department of Defense is authorized an end strength for civilian personnel of 1,005,500.

(b) The end strength for civilian personnel prescribed in subsection (a) of this section shall be apportioned among the Department of the Army, the Department of the Navy (including the Marine Corps), the Department of the Air Force, and the agencies of the Department of Defense (other than the military departments) in such numbers as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to the Congress within sixty days after the date of the enactment of this Act on the manner in which the initial allocation of civilian personnel is made among the military departments and the agencies of the Department of Defense (other than the military departments) and shall include the rationale for each allocation.

Report to Congress.

(c) In computing the authorized end strength for civilian personnel there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National

Security Agency), whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Whenever a function, power, or duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense, or from another department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(d) When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the employment of civilian personnel in excess of the number authorized in subsection (a) of this section, but such additional number may not exceed 1¼ percent of the total number of civilian personnel authorized for the Department of Defense by subsection (a) of this section. The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under the authority of this subsection.

Personnel increase, limitation.

Notification to Congress.

TITLE VI—MILITARY TRAINING STUDENT LOADS

SEC. 601. (a) For fiscal year 1979, each component of the Armed Forces is authorized an average military training student load as follows:

(1) The Army, 50,738.
(2) The Navy, 57,996.
(3) The Marine Corps, 21,324.
(4) The Air Force, 44,410.
(5) The Army National Guard of the United States, 11,793.
(6) The Army Reserve, 5,959.
(7) The Naval Reserve, 991.
(8) The Marine Corps Reserve, 3,074.
(9) The Air National Guard of the United States, 2,471.
(10) The Air Force Reserve, 1,184.

(b) In addition to the number authorized for the Army in subsection (a), the Army is authorized a military training student load for fiscal year 1979 of not less than 17,205 to be utilized solely for One Station Unit Training.

(c) The average military training student loads for the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components authorized in subsection (a) of this section for fiscal year 1979 shall be adjusted consistent with the manpower strengths authorized in titles III, IV, and V of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components in such manner as the Secretary of Defense shall prescribe.

Apportionment adjustment.

REDUCTION OR REALIGNMENT OF THE TRAINING BASE

SEC. 602. (a) Notwithstanding any other provision of law, no action may be taken to effect or implement any substantial reduction of the training base (as defined in subsection (c)) or any substantial force

10 USC 2662 note.

structure realignment of the training base planned as a part of the fiscal year 1979 Defense manpower program unless and until the provisions of subsection (b) are complied with.

(b) No action described in subsection (a) with respect to a substantial reduction or realignment of the training base may be taken unless and until—

Notification to congressional committees.

(1) the Secretary of Defense or the Secretary of the military department concerned notifies the Committee on Armed Services and Appropriations of the Senate and House of Representatives in writing of the specific reduction or realignment proposed;

Certification.

(2) the Secretary of Defense or the Secretary of the military department concerned certifies that such reduction or realignment is in the best interest of the national security and provides for the most cost effective and efficient management of the training base, both in time of peace and in ability to meet mobilization requirements; and

(3) a period of thirty legislative days expires following the date on which the notification and certification referred to in clauses (1) and (2) have been submitted to such committees, during which period no irrevocable action may be taken to effect or implement such reduction or realignment.

For the purpose of clause (3), a legislative day is a day in which either House of Congress is in session.

"Training base."

(c) For the purposes of this section, the term "training base" means the composite of installations, posts, camps, stations, and bases that have as a primary or secondary mission the conduct of formal entry level, advanced individual, or specialty training.

TITLE VII—CIVIL DEFENSE

AUTHORIZATION FOR DEFENSE CIVIL PREPAREDNESS AGENCY

SEC. 701. There is hereby authorized to be appropriated for the programs of the Defense Civil Preparedness Agency for fiscal year 1979 for the purpose of carrying out the provisions of the Federal Civil Defense Act of 1950 the sum of $96,500,000.

50 USC app. 2251 note.

CIVIL DEFENSE STUDY

50 USC app. 2281 note.

SEC. 702. (a) From the funds authorized to be appropriated pursuant to section 701 of this Act, the sum of $200,000 shall be used for a study of the special defense needs of areas of the United States which contain significant elements of the United States strategic nuclear retaliatory forces or significant defense-related research laboratories or facilities.

(b) The study provided for in subsection (a) shall include the following:

(1) An identification of areas of the United States which, because they contain significant elements of the United States strategic nuclear retaliatory forces or significant defense-related research laboratories or facilities, are prime targets in case of a nuclear attack.

(2) A determination of what civil defense evacuation and shelter plans and warning systems are now available or are proposed to be made available to such areas.

(3) An evaluation of the effectiveness of such existing evacuation and shelter plans and warning systems.

(4) A determination of the feasibility of establishing more effective evacuation and shelter plans and warning systems for such areas and a determination of the potential costs and methods of financing such plans and systems.

(5) A detailed analysis of the specific effects of a nuclear attack on each such area.

(6) A determination of the need for educating, and the most effective methods of educating, the public in such areas on civil defense matters.

(c) The study required by this section shall be completed, and copies shall be filed with the Committees on Armed Services of the Senate and House of Representatives, before April 1, 1979.

Copies, filing with congressional committees.

TITLE VIII—GENERAL PROVISIONS

EXTENSION OF AUTHORITY FOR SPECIAL PAY FOR HEALTH PROFESSIONALS

SEC. 801. (a) The second sentence of section 2 of the Act entitled "An Act to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services", approved May 6, 1974 (88 Stat. 96; 37 U.S.C. 302 note), is amended to read as follows: "The authority for the special pay provided by the amendments made by the first section of this Act shall expire on September 30, 1980.".

(b) Sections 302a(c) and 303(c) of title 37, United States Code, are each amended by striking out "September 1978" and inserting in lieu thereof "September 1980".

AUTHORITY FOR ENLISTMENT AND REENLISTMENT BONUSES

SEC. 802. (a)(1) Section 308(a) of title 37, United States Code, is amended—

(A) by inserting "(1)" after "(a)" and by redesignating paragraphs (1), (2), (3), and (4) as subparagraphs (A), (B), (C), and (D), respectively;

(B) by striking out "designated as having a critical military skill" in paragraph (1)(B) (as redesignated by subparagraph (A)) and inserting in lieu thereof "qualified in a military skill designated as critical"; and

(C) by adding at the end thereof the following new paragraph:

"(2) Notwithstanding paragraph (1)(B) of this subsection, a member who agrees to train and reenlist for service in a military skill which, at the time of that agreement, is designated as critical, may be paid the bonus approved for that skill, at the rate in effect at the time of agreement, upon completion of training and qualification in that skill, if otherwise qualified under this subsection and even if that skill is no longer designated as critical at the time the member becomes eligible for payment of the bonus.".

(2) The amendments made by paragraph (1) shall take effect on October 1, 1978.

Effective date. 37 USC 308 note.

(b) Sections 308(f) and 308a(c) of title 37, United States Code, are each amended by striking out "September 30, 1978" and inserting in lieu thereof "September 30, 1980".

EXTENSION OF AUTHORITY FOR SUBSISTENCE ALLOWANCE FOR MARINE CORPS PLATOON LEADER CLASSES

SEC. 803. The Act entitled "An Act to provide subsistence allowances for members of the Marine Corps officer candidate programs", approved November 24, 1971 (85 Stat. 491; 37 U.S.C. 209 note), is amended by striking out "September 30, 1978" and inserting in lieu thereof "September 30, 1980".

CAREER SEA PAY

Effective date.

SEC. 804. (a)(1) Effective October 1, 1978, chapter 5 of title 37, United States Code, relating to special and incentive pays, is amended by inserting after section 305 the following new section:

37 USC 305a.

"§ 305a. Special pay: career sea pay

"(a) Under regulations prescribed by the President, an enlisted member of a uniformed service who is entitled to basic pay and who (1) is in pay grade E–4 or above, and (2) has served more than three years of sea duty, is also entitled, while on sea duty, to special pay at the applicable rate under subsection (b).

"(b)(1) For sea duty performed during fiscal year 1979 or 1980, the monthly rates for special pay under subsection (a) are as follows:

"Years of sea duty:	Monthly rate
Over 3	$25
Over 5	35
Over 12	55

"(2) For sea duty performed during fiscal year 1981, the monthly rates for special pay under subsection (a) are as follows:

"Years of sea duty:	Monthly rate
Over 3	$25
Over 5	35
Over 7	45
Over 12	55".

Effective date.

(2) Effective October 1, 1981, subsection (b) of section 305a of title 37, United States Code (as added by paragraph (1)), is amended to read as follows:

"(b) The monthly rates for special pay under subsection (a) are as follows:

"Years of sea duty:	Monthly rate
Over 3	$25
Over 5	35
Over 7	45
Over 9	55
Over 10	65
Over 11	75
Over 12	100"

37 USC 305a note.

(3) In determining the amount of sea duty to be credited to an enlisted member of a uniformed service for purposes of section 305a of title 37, United States Code (as added by paragraph (1)), the Secretary concerned shall credit such member with all periods of service by such member before October 1, 1978, during which such member served in a sea duty status.

37 USC 305.

(b)(1) Section 305 of such chapter is amended—

(A) by striking out all of subsection (a) that precedes the table therein and inserting in lieu thereof the following:

"(a) Except as provided by subsections (b) and (c) of this section,

under regulations prescribed by the President, an enlisted member of a uniformed service who is entitled to basic pay may, while on duty at a designated place outside the 48 contiguous States and the District of Columbia, be paid special pay at the following monthly rates:";

(B) by adding at the end thereof the following new subsection:

"(c) A member receiving special pay under section 305a of this title may not be paid special pay under this section for the same period of service."; and

Ante, p. 1620.

(C) by striking out **"sea duty or"** in the section heading.

(2) The table of sections at the beginning of such chapter is amended—

(A) by striking out "sea duty or" in the item relating to section 305; and

(B) by inserting after such item the following new item:

"305a. Special pay: career sea pay.".

(3) The amendments made by this subsection shall take effect on October 1, 1978.

Effective date.
37 USC 305 note.

(c) Any individual who on September 30, 1978, is an enlisted member of a uniformed service shall be eligible to receive special pay under section 305(a)(1) of title 37, United States Code, as in effect on September 30, 1978, for any period of sea duty performed by such individual during the period beginning on October 1, 1978, and ending on September 30, 1981, for which such individual does not receive special pay under section 305a of such title (as added by subsection (a)).

37 USC 305 note.

CHIEF OF ARMY DENTAL CORPS; AIR FORCE ASSISTANT SURGEON GENERAL FOR DENTAL SERVICES

SEC. 805. (a) Section 3040(b) of title 10, United States Code, is amended by inserting after the first sentence thereof the following new sentence: "The Assistant Surgeon General is Chief of the Dental Corps and is responsible for making recommendations to the Surgeon General and through the Surgeon General to the Chief of Staff on all matters concerning dentistry and the dental health of the Army.".

Recommendations.

(b)(1) Chapter 307 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 3081. **Dental Corps: Chief, functions**

10 USC 3081.

"(a) The Chief of the Dental Corps shall be an officer of that corps appointed as prescribed in section 3040 of this title.

10 USC 3040.

"(b) Under such regulations as the Secretary of the Army may prescribe, all dental functions of the Army shall be under the direction of the Chief of the Dental Corps. All matters relating to dentistry shall be referred to the Chief of the Dental Corps.

Regulations.

"(c) The Chief of the Dental Corps shall—

"(1) establish professional standards and policies for dental practice;

"(2) initiate and recommend action pertaining to organization requirements and utilization of the Dental Corps and dental auxiliary strength, appointments, advancement, training assignments, and transfer of dental personnel; and

"(3) serve as the adviser to the Office of the Surgeon General on all matters relating directly to dentistry.

"(d) Under such regulations as the Secretary of the Army may prescribe, dental and dental auxiliary personnel throughout the Army

Regulations.

shall be organized into units commanded by a designated Dental Corps Officer. Such officer will be directly responsible to the commander of installations, organizations, and activities for all professional and technical matters and such administrative matters as may be prescribed by regulation.".

(2) The table of sections at the beginning of chapter 307 of title 10, United States Code, is amended by adding at the end thereof the following new item:

"3081. Dental Corps: Chief, functions.".

(c)(1) Chapter 807 of title 10, United States Code, is amended by adding at the end thereof the following new section:

10 USC 8081.

"§ 8081. Assistant Surgeon General for Dental Services

"There is an Assistant Surgeon General for Dental Services in the Air Force who is appointed by the Secretary of the Air Force upon the recommendation of the Surgeon General from officers of the Air Force above the grade of major who are designated as dental officers under section 8067(b) of this title. The term of office of the Assistant Surgeon General for Dental Services is four years but may be increased or decreased by the Secretary of the Air Force.".

(2) The table of sections at the beginning of chapter 807 of title 10, United States Code, is amended by adding at the end thereof the following new item:

"8081. Assistant Surgeon General for Dental Services.".

CEILING FOR PAYMENTS TO PHYSICIANS UNDER CHAMPUS

SEC. 806. (a)(1) Section 1079 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(h) Payment of a charge for physician services for which a claim is submitted under a plan contracted for under subsection (a) may be denied because the charge is in excess of a predetermined charge level based upon customary charges made for similar services in the same locality only to the extent that such charge is in excess of the charge level that, on the basis of statistical data and methodology acceptable to the Secretary of Defense, in consultation with the Secretary of Health, Education, and Welfare, is equivalent to the 90th percentile of the customary charges made for similar services in the same locality during the last preceding calendar year elapsing before the start of the twelve-month period (beginning July 1 of each year) in which the claim for the payment is submitted.".

10 USC 1086.

(2) Section 1086 of such title is amended by adding at the end thereof the following new subsection:

Supra.

"(f) The provisions of section 1079(h) of this title shall apply to payments for physician services under a plan contracted for under subsection (a).".

10 USC 1079 note.

(b) The amendments made by subsection (a) shall apply with respect to claims submitted for payment for services provided on or after the first day of the first calendar year beginning after the date of enactment of this Act.

MARINE CORPS COMMANDANT—MEMBER OF JOINT CHIEFS OF STAFF

SEC. 807. Section 141 of title 10, United States Code, is amended by—

(1) striking out "and" at the end of subsection (a)(3);

(2) striking out the period at the end of subsection (a)(4) and inserting in lieu thereof a semicolon and the word "and";
(3) adding after subsection (a)(4) a new clause (5) as follows:
"(5) the Commandant of the Marine Corps.";
(4) striking out subsection (c); and
(5) redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

ASSIGNMENT OF WOMEN TO NAVAL VESSELS

SEC. 808. The last sentence of section 6015 of title 10, United States Code, relating to restrictions on the assignment of women members of the Navy, is amended to read as follows: "However, women may not be assigned to duty on vessels or in aircraft that are engaged in combat missions nor may they be assigned to other than temporary duty on vessels of the Navy except hospital ships, transports, and vessels of a similar classification not expected to be assigned combat missions.".

MILITARY TRAINING FOR FEMALE UNDERGRADUATES AT MILITARY COLLEGES

SEC. 809. (a) The Secretary of Defense shall require that any college or university designated by the Secretary of Defense as a military college shall, as a condition of maintaining such designation, provide that qualified female undergraduate students enrolled in such college or university be eligible to participate in military training at such college or university, but, notwithstanding any other provision of law, the Secretary of Defense may not require that, as a condition of maintaining such designation or for any other purpose, such college or university require female undergraduate students enrolled in such college or university to participate in military training. 10 USC 2102 note.

(b) The Secretary of Defense shall prescribe such regulations as the Secretary determines necessary or appropriate to carry out the provisions of this section. Regulations.

NAVY SHIPBUILDING POLICY

SEC. 810. (a) It is the policy of the United States to modernize the combatant forces of the United States Navy through the construction of advanced, versatile, survivable, and cost-effective combatant ships in sufficient numbers and having sufficient combat effectiveness to defend the United States against enemy attack and to carry out such other missions as may be assigned to the Navy by law. In order to achieve such policy, the Navy should develop plans and programs for the construction and deployment of weapon systems, including naval aviation platforms, that are more survivable, less costly, and more effective than those presently in the Navy. 10 USC 7291 note. Plans and programs.

(b) In order that the Congress may be kept currently informed regarding compliance with the policy expressed in subsection (a), the President shall include in all requests made to the Congress for the authorization of any ship for the combatant forces, including any aircraft carrier, (1) his conclusions with respect to the survivability, cost effectiveness, and combat effectiveness of such ship, (2) a recommendation whether such ship should be nuclear or conventionally powered, and (3) the reasons for such conclusions and recommendations. Presidential conclusions and recommendations.

(c) Title VIII of the Department of Defense Appropriation Authorization Act, 1975 (88 Stat. 408), is repealed. Repeal. 10 USC 7291 note.

CARRIER SERVICE LIFE EXTENSION PROGRAM AND DDG-2 DESTROYER CONVERSION

10 USC 7291 note.

SEC. 811. (a) Notwithstanding any other provision of law and except as provided in subsection (b), the Secretary of the Navy may not take any action with respect to the use of either public shipyards or private shipyards for conversion, overhaul, or repair work under the Service Life Extension Program (SLEP) or under the program for the modernization of DDG-2 class guided missile destroyers, or for the employment of additional personnel for, or the transfer of additional personnel to, any public shipyard as a part of the necessary buildup of manpower for carrying out either such program, until—

Study.

(1) the Secretary of the Navy conducts a comprehensive least-cost approach study (A) comparing the costs of carrying out such programs at public shipyards with the costs of carrying out such programs at private shipyards, and (B) evaluating such other factors as the Secretary of the Navy considers should be taken into account in assigning work in connection with the conversion, overhaul, repair, or modernization of vessels to public or private shipyards;

Report to congressional committees.

(2) a written report containing the results of such study is submitted, after the date of the enactment of this Act, to the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives; and

(3) a period of sixty days of continuous session of congress expires following the date on which such report is submitted to such committees.

(b) Nothing in this section shall prevent the Navy from conducting advanced planning or purchasing long lead items in connection with either program described in subsection (a) so long as such planning or purchasing is not related to the performance of work in connection with either such program at any particular shipyard.

(c) For purposes of subsection (a)(3), the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of such sixty-day period.

SEA-BASED AIRCRAFT PLATFORM STUDY FUNDS

SEC. 812. The unobligated balance of $40,000,000 authorized to be appropriated in section 201 of the Department of Defense Appropriation Authorization Act, 1978 (Public Law 95-79; 91 Stat. 323), for conducting comprehensive evaluation studies of sea-based aircraft platforms shall after the date of the enactment of this Act be available and primarily applied toward performing any design work related to any such sea-based aircraft platform authorized by this Act.

CERTIFICATION OF CLAIMS

10 USC 2304 note.

SEC. 813. Notwithstanding any other provision of law, none of the funds authorized to be appropriated for the Department of Defense by this or any other Act shall be used for the purpose of paying any contract claim, request for equitable adjustment to contract terms, request for relief under Public Law 85-804, or other similar request, which exceeds $100,000 unless a senior company official in charge at the plant or location involved has certified at the time of submission

50 USC 1431.

of such contract claim, request for equitable adjustment to contract terms, request for relief under Public Law 85-804, or other similar request, that such claim or request is made in good faith and that the supporting data are accurate and complete to the best of such official's knowledge and belief. The requirements of this section shall not apply to claims, requests for equitable adjustment to contract terms, requests for relief under Public Law 85-804, or other similar requests submitted before the date of enactment of this Act. 50 USC 1431.

RESTRICTION ON CONTRACTING OUT COMMERCIAL AND INDUSTRIAL TYPE FUNCTIONS

SEC. 814. (a) The Secretary of Defense shall submit a report to the Committees on Armed Services of the Senate and House of Representatives providing the details of any proposed change in policy or regulations, from those in effect before June 30, 1976, regarding the determination of whether commercial or industrial type functions at Department of Defense installations located in any State, the District of Columbia, the Commonwealth of Puerto Rico, and Guam should be performed by Department of Defense personnel or by private contractors during the period beginning on October 1, 1978, and ending on September 30, 1979. Report to congressional committees. 10 USC 2304 note.

(b) No commercial or industrial type function at any Department of Defense installation referred to in subsection (a) shall be performed by private contractors unless such contractor performance began before the date of the enactment of this Act or performance would have been allowed by the policy and regulations in effect before June 30, 1976. The prohibition in the preceding sentence shall apply until the end of the sixty-day period beginning on the date the report required by subsection (a) is received by the Committees on Armed Services of the Senate and House of Representatives.

PROHIBITION ON SALE OF CERTAIN DEFENSE ARTICLES FROM DEPARTMENT OF DEFENSE STOCKS

SEC. 815. (a) Chapter 49 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 975. Prohibition on the sale of certain defense articles from the stocks of the Department of Defense 10 USC 975.

"(a)(1) Except as provided in subsections (b) and (c), the sale outside the Department of Defense of any defense article designated or otherwise classified as Prepositioned Material Configured to Unit Sets, as decrement stock, or as Prepositioned War Reserve Stocks for United States Forces is prohibited.

"(2) In this section, 'decrement stock' means such stock as is needed to bring the armed forces from a peacetime level of readiness to a combat level of readiness. "Decrement stock."

"(b) The President may authorize the sale outside the Department of Defense of a defense article described in subsection (a) if—

"(1) he determines that there is an international crisis affecting the national security of the United States and the sale of such article is in the best interests of the United States; and

"(2) he reports to the Congress not later than 60 days after the transfer of such article a plan for the prompt replenishment of the stocks of such article and the planned budget request to begin implementation of that plan. Report to Congress.

"(c)(1) Nothing in this section shall preclude the sale of stocks which have been designated for replacement, substitution, or elimination or which have been designated for sale to provide funds to procure higher priority stocks.

"(2) Nothing in this section shall preclude the transfer or sale of equipment to other members of the North Atlantic Treaty Organization.".

(b) The table of sections at the beginning of chapter 49 of title 10, United States Code, is amended by adding at the end thereof the following new item:

"975. Prohibition on the sale of certain defense articles from the stocks of the Department of Defense.".

ASSISTANCE TO 1980 OLYMPIC WINTER GAMES

SEC. 816. (a) Notwithstanding any other provision of law, the Secretary of Defense is authorized—

(1) to provide logistical support and personnel services to the XIII Olympic winter games;

(2) to lend and provide equipment to officials of the Lake Placid Olympic Organizing Committee; and

(3) to provide such other services as the Lake Placid Olympic Organizing Committee may consider necessary and the Secretary may consider advisable.

(b) There is authorized to be appropriated to the Secretary of Defense for fiscal year 1979 an amount not to exceed $2,000,000 for the purpose of carrying out subsection (a). No funds may be obligated or expended for such purpose unless specifically appropriated for such purpose.

REALIGNMENT OF MILITARY INSTALLATIONS IN THE CANAL ZONE

SEC. 817. None of the funds authorized to be appropriated by this Act shall be used for the realignment of any military installation in the Canal Zone unless such use is consistent with the responsibility of, and necessity for, the United States to defend the Panama Canal or with legislation which may be enacted to implement the Pamana Canal Treaties of 1977.

TECHNICAL AMENDMENT RELATING TO THE LIMITATION ON NUMBER OF ADMIRALS AND VICE ADMIRALS IN THE NAVY AND GENERALS AND LIEUTENANT GENERALS IN THE MARINE CORPS

SEC. 818. (a) The first sentence of section 5231(b) of title 10, United States Code, is amended by striking out "the active list of the Navy" and inserting in lieu thereof "active duty".

10 USC 5232.

(b) Section 5232(b) of such title is amended by striking out "the active list of the Marine Corps" and inserting in lieu thereof "active duty".

COMMISSARY BAGGERS

29 USC 203 note.

SEC. 819. Notwithstanding any other provision of law, an individual who performs bagger or carryout service for patrons of a commissary of a military department may not be considered to be an employee for purposes of the Fair Labor Standards Act of 1938 by virtue of such service if the sole compensation of such individual for such service is derived from tips.

29 USC 201.

ABOLISHMENT OF WOMEN'S ARMY CORPS

SEC. 820. (a) Section 505 of title 10, United States Code, is amended by striking out subsection (d) and by redesignating subsection (e) as subsection (d).

(b) Chapter 307 of such title is amended by striking out section 3071 and by striking out of the table of sections at the beginning of such chapter the item relating to section 3071. 10 USC 3071.

(c) Chapter 331 of such title is amended—

(1) by striking out "; **Women's Army Corps**" in the catchline of section 3209; 10 USC 3209.

(2) by striking out the subsection designation "(a)" at the beginning of subsection (a) of section 3209 and striking out subsection (b) of such section;

(3) by striking out section 3215; 10 USC 3215.

(4) by striking out "and the Women's Army Corps" in clause (1) of the third sentence of section 3220; and 10 USC 3220.

(5) by striking out in the table of sections at the beginning of such chapter "; Women's Army Corps" in the item relating to section 3209 and by striking out the item relating to section 3215.

(d) Chapter 335 of such title is amended—

(1) by striking out ", in the Women's Army Corps," in subsection (a) of section 3283 and by striking out "and the Women's Army Corps" in subsection (b) of such section; 10 USC 3283.

(2) by striking out clause (2) of section 3296(b) and redesignating clause (3) as clause (2); 10 USC 3296.

(3) by striking out in the third sentence of section 3297(a) "a selection board considering promotion-list officers of the Women's Army Corps under section 3300 (a) or (b) of this title may include officers of the Regular Army in that corps whose regular or temporary grades are above major, and"; 10 USC 3297.

(4) by striking out section 3311; and 10 USC 3311.

(5) by striking out in the table of sections at the beginning of such chapter the item relating to section 3311.

(e) Chapter 337 of such title is amended—

(1) by striking out "and the Women's Army Corps" and "or corps, as the case may be" in the first sentence of section 3363(g) and by striking out "or the Women's Army Corps" in the second sentence of such section; 10 USC 3363.

(2) by striking out "and to the Women's Army Corps" in section 3364(a); 10 USC 3364.

(3) by striking out "or the Women's Army Corps" and "or corps" in section 3364(b);

(4) by striking out "or the Women's Army Corps" in section 3364(c) each time it appears; and

(5) by striking out the second sentence of section 3383(b). 10 USC 3383.

(f) Chapter 345 of such title is amended by striking out section 3580 and by striking out in the table of sections at the beginning of such chapter the item relating to section 3580. 10 USC 3580.

(g) Section 3818 of such title is amended— 10 USC 3818.

(1) by striking out clause (2) of subsection (a) and inserting in lieu thereof the following:

"(2) the appointment of a female warrant officer, or the enlistment of a female member, of the Regular Army."; and

(2) by striking out "of the Women's Army Corps" in subsection (c).

(h) Section 3848(d) of such title is amended by inserting "or" 10 USC 3848.

before "the Army Medical Specialist Corps" and by striking out "or the Women's Army Corps,".

10 USC 3916.

(i) Section 3916(b) of such title is amended—

(1) by inserting "and" at the end of clause (1);

(2) by striking out "Women's Army Corps," in clause (2);

(3) by striking out the semicolon and the word "and" at the end of clause (2) and inserting in lieu thereof a period; and

(4) by striking out clause (3).

AUDIT AND REVIEW OF CERTAIN FUNDS

SEC. 821. (a) Any funds authorized by this or any other Act to provide relief to contractors under authority of the first section of the Act entitled "An Act to authorize the making, amendment, and modification of contracts to facilitate the national defense", approved August 28, 1958 (72 Stat. 972; 50 U.S.C. 1431), in connection with contracts numbered N00024-69-C-0283, N00024-70-C-0275, N00024-71-C-0268, and N00024-74-C-0206 for the procurement for the United States of landing helicopter assault vessels (LHA), DD-963 vessels, and SSN 688 nuclear attack submarines, and paid by the United States to such contractors, shall be subject to such audits and reviews by the Comptroller General of the United States as the Comptroller General shall determine necessary to insure that such funds are used only in connection with such contracts and to insure that the prime contractors concerned do not realize any total combined profit on such contracts.

Contractor relief, prohibition.

(b) No funds described in subsection (a) may be used to provide relief to any contractor described in subsection (a), in connection with contracts described in such subsection, to the extent that the use of such funds would result in any total combined profit on such contracts, as determined by the Comptroller General of the United States.

Annual report to Congress by Comptroller General.

(c) The Comptroller General of the United States shall keep the appropriate committees of the Congress currently informed regarding the expenditure of funds referred to in subsection (a) and shall submit to the Congress annually, until the completion of the contracts referred to in subsection (a), a written report on the status of the contracts referred to in subsection (a), on the expenditure of the funds referred to in such subsection, and on the results of the audits and reviews conducted by the Comptroller General under authority of this section.

Approved October 20, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1573, accompanying H.R. 14042 (Comm. on Armed Services).

SENATE REPORT No. 95-1197 (Comm. on Armed Services).

CONGRESSIONAL RECORD, Vol. 124 (1978):

Sept. 26, considered and passed Senate.

Sept. 29, Oct. 4, H.R. 14042 considered and passed House; passage vacated, and S. 3486, amended, passed in lieu.

Oct. 7, Senate concurred in House amendment.

Public Law 95-486
95th Congress

An Act

To provide for the appointment of additional district and circuit judges, and for other purposes.

Oct. 20, 1978
[H.R. 7843]

Federal district and circuit judges, additional appointments.
District judges.
28 USC 133 note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the President shall appoint, by and with the advice and consent of the Senate, three additional district judges for the northern district of Alabama, one additional district judge for the middle district of Alabama, three additional district judges for the district of Arizona, two additional district judges for the eastern district of Arkansas, one additional district judge for the northern district of California, three additional district judges for the eastern district of California, one additional district judge for the central district of California, two additional district judges for the southern district of California, two additional district judges for the district of Colorado, one additional district judge for the district of Connecticut, one additional district judge for the northern district of Florida, three additional district judges for the middle district of Florida, five additional district judges for the southern district of Florida, five additional district judges for the northern district of Georgia, one additional district judge for the southern district of Georgia, three additional district judges for the northern district of Illinois, one additional district judge for the central district of Illinois, one additional district judge for the northern district of Indiana, one additional district judge for the southern district of Indiana, one additional district judge for the southern district of Iowa, one additional district judge for the district of Kansas, two additional district judges for the eastern district of Kentucky, four additional district judges for the eastern district of Louisiana, one additional district judge for the middle district of Louisiana, one additional district judge for the western district of Louisiana, one additional district judge for the district of Maine, two additional district judges for the district of Maryland, four additional district judges for the district of Massachusetts, three additional district judges for the eastern district of Michigan, two additional district judges for the western district of Michigan, one additional district judge for the district of Minnesota, one additional district judge for the eastern district of Missouri, two additional district judges for the western district of Missouri, one additional district judge for the district of Nevada, one additional district judge for the district of New Hampshire, two additional district judges for the district of New Jersey, one additional district judge for the district of New Mexico, one additional district judge for the northern district of New York, one additional district judge for the eastern district of New York, one additional district judge for the eastern district of North Carolina, one additional district judge for the middle district of North Carolina, one additional district judge for the western district of North Carolina, one additional district judge for the northern district of Ohio, one additional district judge for the southern district of Ohio, one additional district judge for the western district of Oklahoma, one additional district judge for the northern district of Oklahoma, two additional district judges for the district of Oregon, two additional district judges for the middle district of Pennsylvania, four additional

district judges for the district of Puerto Rico, three additional district judges for the district of South Carolina, one additional district judge for the district of South Dakota, one additional district judge for the middle district of Tennessee, three additional district judges for the northern district of Texas, one additional district judge for the eastern district of Texas, five additional district judges for the southern district of Texas, one additional district judge for the western district of Texas, one additional district judge for the district of Utah, two additional district judges for the eastern district of Virginia, two additional district judges for the western district of Virginia, one additional district judge for the eastern district of Washington, one additional district judge for the western district of Washington, one additional district judge for the southern district of West Virginia, one additional district judge for the eastern district of Wisconsin, and one additional district judge for the western district of Wisconsin.

28 USC 133 note.

(b) The existing district judgeship for the eastern and western districts of Washington, heretofore provided for by section 133 of title 28 of the United States Code, shall hereafter be a district judgeship for the western district of Washington only, and the present incumbent of such judgeship shall henceforth hold his office under section 133, as amended by this Act.

Infra.

28 USC 133.

(c) In order that the table contained in section 133 of title 28 of the United States Code will, with respect to each district therein, reflect the changes in the number of judgeships made by this section, such table is amended to read as follows:

"Districts	Judges
Alabama:	
Northern	7
Middle	3
Southern	2
Alaska	2
Arizona	8
Arkansas:	
Eastern	3
Western	1
Eastern and Western	2
California:	
Northern	12
Eastern	6
Central	17
Southern	7
Colorado	6
Connecticut	5
Delaware	3
District of Columbia	15
Florida:	
Northern	3
Middle	9
Southern	12
Georgia:	
Northern	11
Middle	2
Southern	3
Hawaii	2
Idaho	2
Illinois:	
Northern	16
Central	3
Southern	2

"Districts	Judges
Indiana:	
Northern	4
Southern	5
Iowa:	
Northern	1
Southern	2
Northern and Southern	1
Kansas	5
Kentucky:	
Eastern	4
Western	3
Eastern and Western	1
Louisiana:	
Eastern	13
Middle	2
Western	5
Maine	2
Maryland	9
Massachusetts	10
Michigan:	
Eastern	13
Western	4
Minnesota	5
Mississippi:	
Northern	2
Southern	3
Missouri:	
Eastern	4
Western	5
Eastern and Western	2
Montana	2
Nebraska	3
Nevada	3
New Hampshire	2
New Jersey	11
New Mexico	4
New York:	
Northern	3
Southern	27
Eastern	10
Western	3
North Carolina:	
Eastern	3
Western	3
Middle	3
North Dakota	2
Ohio:	
Northern	9
Southern	6
Oklahoma:	
Northern	2
Eastern	1
Western	3
Northern, Eastern, and Western	2
Oregon	5
Pennsylvania:	
Eastern	19
Middle	5
Western	10
Puerto Rico	7
Rhode Island	2
South Carolina	8
South Dakota	3
Tennessee:	
Eastern	3
Middle	3
Western	3

"Districts	Judges
Texas:	
Northern	9
Southern	13
Eastern	4
Western	6
Utah	3
Vermont	2
Virginia:	
Eastern	8
Western	4
Washington:	
Eastern	2
Western	5
West Virginia:	
Northern	1
Southern	3
Northern and Southern	1
Wisconsin:	
Eastern	4
Western	2
Wyoming	1".

28 USC 133 note.

SEC. 2. The President shall appoint, by and with the advice and consent of the Senate, one additional district judge for the eastern district of Kentucky, one additional district judge for the district of Minnesota, one additional district judge for the northern district of Ohio, and one additional district judge for the southern district of West Virginia. The first vacancy in the office of district judge in the judicial districts named in this section occurring five years or more after the effective date of this Act shall not be filled.

Vacancies.

Circuit judges.
28 USC 44 note.

SEC. 3. (a) The President shall appoint, by and with the advice and consent of the Senate, one additional circuit judgeship for the first circuit, two additional circuit judgeships for the second circuit, one additional circuit judgeship for the third circuit, three additional circuit judgeships for the fourth circuit, eleven additional circuit judgeships for the fifth circuit, two additional circuit judgeships for the sixth circuit, one additional circuit judgeship for the seventh circuit, one additional circuit judgeship for the eighth circuit, ten additional circuit judgeships for the ninth circuit, one additional circuit judgeship for the tenth circuit, and two additional circuit judgeships for the District of Columbia.

(b) In order that the table contained in section 44(a) of title 28, United States Code, will, with respect to each circuit, reflect the changes in the number of judgeships made by this Act, such table is amended to read as follows:

"Circuits	Number of judges
District of Columbia	11
First	4
Second	11
Third	10
Fourth	10
Fifth	26
Sixth	11
Seventh	9
Eighth	9
Ninth	23
Tenth	8".

28 USC 45 note.

SEC. 4. Section 3 of the Act entitled "An Act to provide that chief judges of circuit courts and chief judges of district courts having three or more judges shall cease to serve as such upon reaching the age of seventy" (Public Law 85-593, approved August 6, 1958 (72 Stat. 497)) is amended by striking out ", except that the amendment made by

28 USC 45 note.

section 133 shall not be effective with respect to any district having two judges in regular active service so long as the district judge holding the position of chief judge of any such district on such date of enactment continues to hold such position".

SEC. 5. (a) Section 46(c) of title 28 of the United States Code is amended—

(1) in the first sentence, by striking out "division" and inserting "panel" in lieu thereof; and

(2) by striking out the third sentence.

(b) The heading of section 46 of title 28 of the United States Code is amended by striking out "**divisions**" and inserting "**panels**" in lieu thereof.

(c) The item relating to section 46 in the table of sections for chapter 3 of title 28 of the United States Code is amended by striking out "divisions" and inserting "panels" in lieu thereof.

SEC. 6. Any court of appeals having more than 15 active judges may constitute itself into administrative units complete with such facilities and staff as may be prescribed by the Administrative Office of the United States Courts, and may perform its en banc function by such number of members of its en banc courts as may be prescribed by rule of the court of appeals.

Appeals court units.
28 USC 41 note.

SEC. 7. (a) The first section and section 2 of this Act shall take effect immediately upon the President's promulgation and publication of standards and guidelines for the selection, on the basis of merit, of nominees for United States district court judgeships authorized by this Act.

28 USC 133 note.

(b) The President may waive such standards and guidelines with respect to any nomination by notifying the Senate of the reasons for such waiver.

Waiver, notification to Senate.

(c) Following the promulgation and publication of such standards and guidelines, no nomination or appointment to a United States district court judgeship may be invalidated on the basis of the President's failure to comply with this section or with any standards or guidelines promulgated under this section.

(d) This Act, other than the first section and section 2, shall take effect on the date of enactment of this Act.

SEC. 8. The Congress—

28 USC 133 note.

(1) takes notice of the fact that only 1 percent of Federal judges are women and only 4 percent are blacks; and

(2) suggests that the President, in selecting individuals for nomination to the Federal judgeships created by this Act, give due consideration to qualified individuals regardless of race, color, sex, religion, or national origin.

SEC. 9. (a) Section 1337 of title 28 of the United States Code is amended to read as follows:

"**§ 1337. Commerce and antitrust regulations; amount in controversy, costs**

"(a) The district courts shall have original jurisdiction of any civil action or proceeding arising under any Act of Congress regulating commerce or protecting trade and commerce against restraints and monopolies: *Provided, however,* That the district courts shall have original jurisdiction of an action brought under section 20(11) of part I of the Interstate Commerce Act (49 U.S.C. 20(11)) or section 219 of part II of such Act (49 U.S.C. 319), only if the matter in con-

troversy for each receipt or bill of lading exceeds $10,000, exclusive of interest and costs.

"(b) Except when express provision therefor is otherwise made in a statute of the United States, where a plaintiff who files the case under section 20(11) of part I of the Interstate Commerce Act (49 U.S.C. 20(11)) or section 219 of part II of such Act (49 U.S.C. 319), originally in the Federal courts is finally adjudged to be entitled to recover less than the sum or value of $10,000, computed without regard to any setoff or counterclaim to which the defendant may be adjudged to be entitled, and exclusive of any interest and costs, the district court may deny costs to the plaintiff and, in addition, may impose costs on the plaintiff.".

(b) Subsection (b) of section 1445, of title 28 of the United States Code is amended by striking out "$3,000" and inserting in lieu thereof "$10,000".

(c) The item relating to section 1337 in the table of sections for chapter 85 of title 28 of the United States Code is amended to read as follows:

"1337. Commerce and antitrust regulations; amount in controversy, costs.".

Position classifications.

SEC. 10. Section 5108(c)(3) of title 5, United States Code, is amended to read as follows:

"(3) the Director of the Administrative Office of the United States Courts, subject to the standards and procedures prescribed by this chapter, may place a total of 15 positions in GS-16, 17, and 18;".

5 USC 5332 note.

28 USC 133 note.

SEC. 11. Notwithstanding any other provision of this Act, the first section and section 2 shall not take effect before November 1, 1978.

Appropriation authorization.

SEC. 12. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

Approved October 20, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-858 (Comm. on the Judiciary) and No. 95-1643 (Comm. of Conference).

SENATE REPORTS: No. 95-117 accompanying S. 11 (Comm. on the Judiciary) and No. 95-1257 (Comm. of Conference).

CONGRESSIONAL RECORD:

Vol. 123 (1977): May 23, 24, S. 11 considered and passed Senate.

Vol. 124 (1978): Feb. 7, considered and passed House; considered and passed Senate, amended, in lieu of S. 11.

Sept. 28, Conference report filed in disagreement in House.

Oct. 4, House concurred in Senate amendment with an amendment.

Oct. 7, Senate agreed to conference report; concurred in House amendment.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS:

Vol. 14, No. 42 (1978): Oct. 20, Presidential statement.

Public Law 95-487
95th Congress

An Act

To provide means for the acquisition and retention of title to certain lands by the village corporation organized pursuant to the Alaska Native Claims Settlement Act for the Natives of the village of Kake, Alaska, and for other purposes.

Oct. 20, 1978
[H.R. 14026]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any other provisions of law, any Indian tribal or other entity that holds any lands described in section 2 of this Act, or interests therein, in fee simple may freely alienate and convey such lands or interests therein to others and, upon request of any Indian tribal or other entity for whom the United States holds title in trust to any lands described in section 2 of this Act, the Secretary of the Interior shall convey such lands to such entity in fee simple, free of all encumbrances and restrictions whatsoever, and (b) notwithstanding any other provisions of law, the corporation organized for the Natives of the village of Kake, Alaska, pursuant to the Alaska Native Claims Settlement Act, 85 Stat. 688, as amended and supplemented, shall be entitled to retain, and shall not be required to reconvey to any others, title to the surface estate in any lands described in section 2 of this Act that is conveyed to it pursuant to the Settlement Act.

Indians.
Acquisition and retention of certain lands, Kake, Alaska.

43 USC 1601 note.

SEC. 2. The lands subject to this Act are:

(a) That portion of United States Survey 963 in section 35, township 56 south, range 72 east, Copper River Meridian, Alaska, described as follows:

Beginning at the southwest corner of United States Survey 963, thence along the south boundary of said survey north 67 degrees 24 minutes 20 seconds east, a distance of 220.53 feet to a point on the boundary of power easement numbered E-2 of the Alaska Department of Highways; thence along the boundary of said easement north 34 degrees west a distance of 36.71 feet to a point which coincides with a corner on the boundary of such easement; thence continuing on the boundary of such easement, north 9 degrees 30 minutes west a distance of 100 feet; thence north 61 degrees 16 minutes 58 seconds west a distance of 149.93 feet; thence south 76 degrees 35 minutes west a distance of 100 feet to a point on the west boundary of United States Survey 963; thence along said boundary south 13 degrees 25 minutes east a distance of 270 feet to the point of beginning, containing 1.09 acres, more or less, together with all improvements thereon and appurtenances thereto;

(b) That portion of lot 2 of United States Survey 3852 that lies between the west side of Keku Road as presently alined and Keku Straight, containing less than 1 acre, together with all improvements thereon and appurtenances thereto; and

(c) That portion of Alaska Tideland Survey Numbered 1091 designated as parcel E on the preliminary plat thereof, containing 2.188 acres, more or less, together with all improvements thereon and appurtenances thereto.

Approved October 20, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1615 (Comm. on Interior and Insular Affairs).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 2, considered and passed House.
Oct. 4, considered and passed Senate.

Public Law 95-488
95th Congress

An Act

To amend the Internal Revenue Code of 1954 to insure that the deduction for contributions to a black lung benefit trust be allowed for any such contributions which are made for the purpose of satisfying unfunded future liability, and for other purposes.

Oct. 20, 1978
[H.R. 13167]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (b) of section 192 of the Internal Revenue Code of 1954 (relating to contributions to black lung benefit trusts) is amended to read as follows:

Taxes.
Deductions for contributions to a black lung benefit trust.
26 USC 192.

"(b) LIMITATION.—The maximum amount of the deduction allowed by subsection (a) for any taxpayer for any taxable year shall not exceed the greater of—

"(1) the amount necessary to fund (with level funding) the remaining unfunded liability of the taxpayer for black lung claims filed (or expected to be filed) by (or with respect to) past or present employees of the taxpayer, or

"(2) the aggregate amount necessary to increase each trust described in section 501(c)(21) to the amount required to pay all amounts payable out of such trust for the taxable year."

26 USC 501.

(b) Paragraph (1) of section 192(c) of such Code (relating to special rules) is amended to read as follows:

26 USC 192.

"(1) METHOD OF DETERMINING AMOUNTS REFERRED TO IN SUBSECTION (b).—

"(A) IN GENERAL.—The amounts described in subsection (b) shall be determined by using reasonable actuarial methods and assumptions which are not inconsistent with regulations prescribed by the Secretary.

"(B) FUNDING PERIOD.—Except as provided in subparagraph (C), the funding period for purposes of subsection (b)(1) shall be the greater of—

"(i) the average remaining working life of miners who are present employees of the taxpayer, or

"(ii) 10 taxable years.

For purposes of the preceding sentence, the term 'miner' has the same meaning as such term has when used in section 402 (d) of the Black Lung Benefits Act (30 U.S.C. 902(d)).

"Miner."

"(C) DIFFERENT FUNDING PERIODS.—To the extent that—

"(i) regulations prescribed by the Secretary provide for a different period, or

"(ii) the Secretary consents to a different period proposed by the taxpayer,

such different period shall be substituted for the funding period provided in subparagraph (B)."

(c) Subsection (c) of section 192 of such Code is amended by adding at the end thereof the following new paragraph:

"(5) DENIAL OF SECTION 162 DEDUCTION WITH RESPECT TO LIABILITY.—No deduction shall be allowed under section 162(a) with respect to any liability taken into account in determining the deduction under subsection (a) of this section of the taxpayer (or a predecessor)."

26 USC 162.

26 USC 6104.

(d)(1) The first sentence of subparagraph (A) of section 6104(a)(1) of such Code (relating to inspection of applications for tax exemption) is amended by striking out "(other than in paragraph (21) thereof)".

(2) Subsection (b) of section 6104 of such Code (relating to inspection of annual information returns) is amended by striking out the last sentence.

26 USC 192 note.

(e) The amendments made by this section shall apply to taxable years beginning after December 31, 1977. Nothing in the amendments made by subsection (d) to section 6104 of the Internal Revenue Code of 1954 shall be construed to permit the disclosure under such section 6104 of confidential business information of contributors to any trust described in section 501(c)(21) of such Code.

26 USC 501.

Approved October 20, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1656 (Comm. on Ways and Means).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 3, considered and passed House.
Oct. 10, considered and passed Senate.

Public Law 95-489
95th Congress

An Act

To terminate the authorization of the navigation project on the Columbia Slough, Oregon.

Oct. 20, 1978
[H.R. 13803]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the navigation project on the Columbia Slough, Oregon, authorized by section 101 of the River and Harbor Act of 1950 (64 Stat. 167) is not authorized after the date of enactment of this Act.

Columbia Slough, Oreg., navigation project.
Termination.

Approved October 20, 1978.

LEGISLATIVE HISTORY:

CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 4, considered and passed House.
Oct. 7, considered and passed Senate.

Public Law 95-490
95th Congress

An Act

Oct. 20, 1978
[S. 1318]

To permit the State of Hawaii to use the proceeds from the sale, lease, or other disposition of certain real property for any public purpose.

Hawaii.
Revenue or proceeds from disposition of certain lands, use.
72 Stat. 850.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding section 4(a) of the Act entitled "An Act to provide for the transfer of title to certain land at Sand Island, Territory of Hawaii, to the Territory of Hawaii, and for other purposes", approved August 25, 1958, the State of Hawaii may use for any public purpose the revenue or proceeds from the sale, lease, or other disposition of the lands held by it under a transfer made by Executive Order Numbered 10833 under such Act on August 25, 1959. Such sale, lease, or other disposition shall comply with the laws of the State of Hawaii relating to public lands.

Approved October 20, 1978.

LEGISLATIVE HISTORY:

SENATE REPORT No. 95-515 (Comm. on Energy and Natural Resources).
CONGRESSIONAL RECORD:
Vol. 123 (1977): Oct. 28, considered and passed Senate.
Vol. 124 (1978): Oct. 10, considered and passed House.

Public Law 95-491
95th Congress

An Act

To authorize the permanent establishment of a system of Federal information centers.

Oct. 20, 1978
[S. 3259]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Information Centers Act".

Federal Information Centers Act. 40 USC 751 note.

SEC. 2. (a) Title I of the Federal Property and Administrative Services Act of 1949 is amended by adding at the end thereof the following new section:

"FEDERAL INFORMATION CENTERS

"SEC. 112. (a) The Administrator is authorized to establish within the General Services Administration a nationwide network of Federal information centers for the purpose of providing the public with information about the programs and procedures of the Federal Government and for other appropriate and related purposes.

Establishment. 40 USC 760.

"(b) The Administrator is authorized to prescribe such rules and regulations as may be necessary to the functioning of the Federal information centers.

Rules and regulations.

"(c) There is hereby authorized to be appropriated $7,000,000 for the fiscal year ending September 30, 1980, and such sums as may be necessary for each succeeding fiscal year for carrying out the purposes of this section.".

Appropriation authorization.

(b)(1) The table of contents of the Federal Property and Administrative Services Act of 1949 is amended by inserting immediately after the item pertaining to section 109 the following new items:

"Sec. 110. Federal telecommunications fund.
"Sec. 111. Automatic data processing equipment.
"Sec. 112. Federal information centers.".

(2) Title I of the Federal Property and Administrative Services Act is further amended by inserting immediately before section 110 the following heading:

40 USC 757.

"FEDERAL TELECOMMUNICATION FUND".

Approved October 20, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1530, accompanying H.R. 13688 (Comm. on Governmental Operations).
SENATE REPORT No. 95-1129 (Comm. on Governmental Affairs).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 12, considered and passed Senate.
Sept. 25, H.R. 13688 considered and passed House; passage vacated and S.3259, amended, passed in lieu.
Oct. 5, Senate concurred in House amendments.

Public Law 95-492
95th Congress

An Act

Oct. 20, 1978
[S. 3373]

To amend title 10, United States Code, to authorize the Secretary of Defense to provide transportation to the Girl Scouts of the United States of America in connection with International World Friendship Events or Troops on Foreign Soil meetings, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 151 of title 10, United States Code, is amended by adding after section 2544 the following new section:

Girl Scouts of America.
Transportation services.
10 USC 2545.

"§ 2545. Transportation services: international Girl Scout events

"(a) The Secretary of Defense is authorized, under such regulations as he may prescribe, to provide, without expense to the United States Government, transportation from the United States or military commands overseas, and return, on vessels of the Military Sealift Command or aircraft of the Military Airlift Command for (1) those Girl Scouts and officials certified by the Girl Scouts of the United States of America as representing the Girl Scouts of the United States of America at any International World Friendship Event or Troops on Foreign Soil meeting which is endorsed and approved by the National Board of Directors of the Girl Scouts of the United States of America and is conducted outside of the United States, (2) United States citizen delegates coming from outside of the United States to triennial meetings of the National Council of the Girl Scouts of the United States of America, and (3) the equipment and property of such Girl Scouts and officials, to the extent that such transportation will not interfere with the requirements of military operations.

"(b) Before furnishing any transportation under subsection (a), the Secretary of Defense shall take from the Girl Scouts of the United States of America a good and sufficient bond for the reimbursement to the United States by the Girl Scouts of the United States of America, of the actual costs of transportation furnished under subsection (a).

"(c) Amounts paid to the United States to reimburse it for the actual costs of transportation furnished under subsection (a) shall be credited to the current applicable appropriations or funds to which such costs were charged and shall be available for the same purposes as such appropriations or funds.".

SEC. 2. The table of sections at the beginning of chapter 151 of title 10, United States Code, is amended by adding after the item relating to section 2544 the following new item:

"2545. Transportation services: international Girl Scout events.".

Approved October 20, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1572 (Comm. on Armed Services).
SENATE REPORT No. 95-1137 (Comm. on Armed Services).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Aug. 24, considered and passed Senate.
Oct. 10, considered and passed House.

Public Law 95-493
95th Congress

An Act

To incorporate the United States Capitol Historical Society.

Oct. 20, 1978
[H.R. 11035]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following persons:

United States Capitol Historical Society, incorporation.
36 USC 1201.

Honorable Fred Schwengel, Washington, District of Columbia;
Honorable Marguerite Stitt Church, Evanston, Illinois;
Doctor Melvin M. Payne, Washington, District of Columbia;
Carl Haverlin, Northridge, California;
Doctor Walter Rundell, College Park, Maryland;
Victor M. Birely, Washington, District of Columbia;
Arthur B. Hanson, Esquire, Washington, District of Columbia;
Mrs. Adlai Stevenson III, Hanover, Illinois;
Mrs. Florian Thayn, Washington, District of Columbia;

and their successors are hereby created and declared to be a body corporate of the District of Columbia having the name "United States Capitol Historical Society" (hereinafter the corporation"). The said corporation shall have perpetual existence and the powers, limitations, and restrictions herein contained.

COMPLETION OF ORGANIZATION

SEC. 2. The persons named in the first section of this Act are authorized to complete the organization of the corporation by the selection of officers and employees, the adoption of a constitution and bylaws, not inconsistent with this Act, and the doing of such other acts as may be necessary to carry out the provisions of this Act.

36 USC 1202.

OBJECTS AND PURPOSES OF CORPORATION

SEC. 3. The objects and purposes of the corporation shall be—

36 USC 1203.

(a) to encourage in the most comprehensive and enlightened manner an understanding by the American people of the founding, growth, and significance of the Capitol of the United States of America as the tangible symbol of their representative form of government;

(b) to undertake research into the history of the Congress and the Capitol and to promote the discussion, publication, and dissemination of the results of such studies;

(c) to foster and increase an informed patriotism of the land in the study of this living memorial to the founders of this Nation and the continuing thread of principles as exemplified by their successors; and

(d) to mutually cooperate with the standing committees of the Congress, the Library of Congress, the Architect of the Capitol, and relevant departments and agencies of the executive branch of the Federal Government in furthering the objectives of the corporation.

POWERS OF THE CORPORATION

36 USC 1204.

SEC. 4. The corporation shall have the power—

(a) to sue and be sued, complain, and defend in any court of competent jurisdiction;

(b) to adopt, alter, and use a corporate seal;

(c) to choose officers, managers, and agents as the business of the corporation may require;

(d) to charge and collect membership dues;

(e) to adopt, amend, apply, and alter a constitution and bylaws not inconsistent with the laws of the United States of America or any State in which the corporation is to operate, for the management of its property and the regulation of its affairs;

(f) to contract and be contracted with;

(g) to take hold by lease, gift, purchase, grant, devise, bequest, or otherwise any property, real, personal, or mixed, necessary or convenient for attaining the objects of the corporation, subject, however, to applicable provisions of law of any State (1) governing the amount or kind of real and personal property which may be held by, or (2) otherwise limiting or controlling the ownership or real and personal property which may be held by, or (3) otherwise limiting or controlling the ownership of real and personal property by, a corporation operating in such State;

(h) to transfer, lease, or convey real or personal property;

(i) to borrow money for the purposes of the corporation and issue bonds or other evidences of indebtedness therefor and secure the same mortgage or pledge subject to applicable Federal or State laws;

(j) to conduct campaigns for raising of funds and to accept contributions from individuals, corporations, and other bodies, foundations, and organizations;

(k) to print, to create and distribute commemorative medals, edit and publish, make, display, and sell books and magazines, pictures, slides, and cinemas, as may be necessary or desirable for the accomplishment of the purposes of the corporation;

(l) to buy, sell, and generally deal in appropriate and related souvenirs, commemorative medals, curios, momentos, and publications; and

(m) to do any and all acts necessary and proper to carry out the purposes of the corporation.

PRINCIPAL OFFICE; TERRITORIAL SCOPE OF ACTIVITIES; RESIDENT AGENT

36 USC 1205.

SEC. 5. (a) The principal office of the corporation shall be located in Washington, District of Columbia, or in such other place as may later be determined by the board of directors, but the activities of the corporation shall not be confined to that place and may be conducted throughout the various possessions of the United States.

(b) The corporation shall have in the District of Columbia at all times a designated agent authorized to accept service of process for the corporation, and notice to or service upon such agent or mailed to the business address of such agent shall be deemed as service or notice upon the corporation.

MEMBERSHIP

SEC. 6. Eligibility for membership in the corporation and the rights and privileges of members shall, except as provided in this Act, be determined as the constitution and bylaws of the corporation may provide. 36 USC 1206.

ACTIVE BOARD OF TRUSTEES

SEC. 7. (a) The control and management of the affairs and funds of the corporation shall be vested in its active board of trustees which, exclusive of ex officio and honorary members, shall consist of not more than forty active members and not less than twelve active members, one of whom shall be elected chairman. 36 USC 1207.

(b) The term of an active trustee of the board shall be four years in duration and, except by the unanimous vote of the members of the board of trustees present and voting, no active trustee may be reelected as an active trustee until after a lapse of one year from the expiration of his term as active trustee.

(c) The board of trustees shall meet not less than once annually in the Capitol of the United States at Washington, District of Columbia, and at such other times as may be determined by the chairman. No meeting of the board of trustees may be held except pursuant to a time and place stated in the bylaws or upon thirty days written notice in advance of any such meeting.

(d) Trustees of the corporation shall be elected by action of the active board of trustees. Trustees may be removed by the vote of two-thirds of the other active trustees at any time with or without cause.

OFFICERS OF THE CORPORATION

SEC. 8. (a) The officers of the corporation shall be a president, who shall be the chief executive officer, five vice presidents, a treasurer, and a secretary. 36 USC 1208.

(b) During their respective terms of office, the officers of the corporation shall be ex officio members of the board with all the rights and privileges of a trustee including the right to vote. Officers may receive compensation or other remuneration for their services as determined by the board of trustees, and they may be reimbursed for their actual expenses.

(c) Officers of the corporation shall be elected annually by action of the board of trustees and shall continue in office at the pleasure of the board.

(d) The duties of the officers of the corporation shall be such as usually pertain to the offices they hold and also shall include such additional duties as may be delegated by the board of trustees.

(e) The board of trustees may employ an executive secretary and such other paid personnel as may be needed to assist the officers and the board and to accomplish the programs and business of the corporation. The board shall fix the compensation and prescribe the duties of the executive secretary and such other paid personnel who shall serve at the pleasure of the board.

USE OF INCOME: LOANS TO OFFICERS, TRUSTEES, OR EMPLOYEES

36 USC 1209.

SEC. 9. (a) No part of the income or assets of the Corporation shall inure to any of its members, trustees, or officers, as such, or be distributable to any of them during the life of the corporation or upon its dissolution or final liquidation. Nothing in this subsection, however, shall be construed to prevent the payment of reasonable compensation to officers or employees of the corporation or reimbursement for actual expenses in amounts approved by the board of trustees of the corporation.

(b) The corporation shall not make loans to its officers, trustees, or employees. Any director who votes for or assents to the making of a loan or advance to an officer, director, or employee of the corporation, and any officer who participates in the making of such loan or an advance shall be jointly and severally liable to the corporation for the amount of such loan or advance until the repayment thereof.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

36 USC 1210.

SEC. 10. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

PROHIBITION AGAINST ISSUANCE OF STOCK OR PAYMENT OF DIVIDENDS

36 USC 1211.

SEC. 11. The corporation shall have no power to issue any shares of stock or to declare or pay any dividends.

BOOKS AND RECORDS: INSPECTION

36 USC 1212.

SEC. 12. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, board of trustees, and committees having any authority under the board of trustees, and it shall also keep at its principal office a record of the names and addresses of its members entitled to vote. All books and records of the corporation may be inspected by any member entitled to vote, or the agent or attorney of such member, for any proper purpose, at any reasonable time.

AUDIT OF FINANCIAL TRANSACTIONS

36 USC 1213.

SEC. 13. (a) The provisions of sections 2 and 3 of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1102, 1103), shall apply with respect to the corporation.

(b) The corporation shall comply with the provisions of Public Law 91-510, section 451, October 26, 1970.

40 USC 193m-1.

USE OF ASSETS ON DISSOLUTION OR LIQUIDATION

36 USC 1214.

SEC. 14. Upon dissolution or final liquidation of the corporation, after discharge or satisfaction of all outstanding obligations and liabilities, any remaining assets of the corporation shall be distributed in accordance with the determination of the board of trustees of the corporation and in compliance with the constitution and bylaws of the corporation and all Federal and State laws applicable thereto.

EXCLUSIVE RIGHT TO NAME, EMBLEM, SEALS, AND INSIGNIA

SEC. 15. The corporation shall have the sole and exclusive right to the name "United States Capitol Historical Society" and to have and use in carrying out its purpose, distinctive insignia, emblems, seals, descriptive or designating marks, and words or phrases, as may be required in the furtherance of its functions. Nothing in this section shall be construed to interfere or conflict with established or vested rights. 31 USC 1215.

ACQUISITION OF ASSETS AND LIABILITIES OF EXISTING CORPORATION

SEC. 16. The corporation may acquire the assets of the United States Capitol Historical Society, a corporation incorporated under the laws of the District of Columbia. The United States Capitol Historical Society shall retain and maintain its existing status as a corporation incorporated under the laws of the District of Columbia or a State. 31 USC 1216.

ANNUAL REPORT

SEC. 17. The corporation shall, as soon as practicable after the end of each fiscal year, submit a report to each House of the Congress with respect to the activities of the corporation during the preceding fiscal year. Submittal to Congress. 31 USC 1217.

RESERVATION OF RIGHT TO AMEND OR REPEAL ACT

SEC. 18. The right to alter, amend, or repeal this Act is expressly reserved to the Congress. 31 USC 1218.

Approved October 20, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1638 (Comm. on the Judiciary).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 2, considered and passed House.
Oct. 5, considered and passed Senate.

Public Law 95-494
95th Congress

An Act

Oct. 21, 1978
[H.R. 12264]

To designate certain lands in the State of Wisconsin as wilderness.

Blackjack Springs Wilderness Area and Whisker Lake Wilderness Area, Wisc. Designation.
16 USC 1132 note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in furtherance of the purposes of the Wilderness Act (78 Stat. 891), the following lands as generally depicted on maps appropriately referenced, dated March 1978, which is on file and available for public inspection in the office of the Chief, Forest Service, Department of Agriculture, are hereby designated as Wilderness and, therefore, as components of the National Wilderness Preservation System—

(1) certain lands in the Nicolet National Forest, Wisconsin, which comprise approximately five thousand eight hundred and eight-six acres are generally depicted on a map entitled "Blackjack Springs Wilderness Area—Proposed"; and

(2) certain lands in the Nicolet National Forest, Wisconsin, which comprise approximately seven thousand three hundred and fifteen acres and are generally depicted on a map entitled "Whisker Lake Wilderness Area—Proposed".

Map and description, filing with congressional committees.

SEC. 2. As soon as practicable after this Act takes effect, the Secretary of Agriculture shall file a map and a legal description of the Blackjack Springs Wilderness and Whisker Lake Wilderness with the Senate Committee on Energy and Natural Resources and the House Committee on Interior and Insular Affairs, and such map and description shall have the same force and effect as if included in this Act: *Provided, however*, That correction of clerical and typographical errors in such map and description may be made.

Administration.

SEC. 3. The Blackjack Springs Wilderness and Whisker Lake Wilderness shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act governing areas designated by that Act as Wilderness areas, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act.

Approved October 21, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1323 (Comm. on Interior and Insular Affairs).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 25, considered and passed House.
Oct. 9, considered and passed Senate.

Public Law 95-495
95th Congress

An Act

To designate the Boundary Waters Canoe Area Wilderness, to establish the Boundary Waters Canoe Area Mining Protection Area, and for other purposes.

Oct. 21, 1978
[H.R. 12250]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Boundary Waters Canoe Area Wilderness, designation; Boundary Waters Canoe Area Mining Protection Area, establishment.

FINDINGS

SECTION 1. The Congress finds that it is necessary and desirable to provide for the protection, enhancement, and preservation of the natural values of the lakes, waterways, and associated forested areas known (before the date of enactment of this Act) as the Boundary Waters Canoe Area, and for the orderly management of public use and enjoyment of that area as wilderness, and of certain contiguous lands and waters, while at the same time protecting the special qualities of the area as a natural forest-lakeland wilderness ecosystem of major esthetic, cultural, scientific, recreational and educational value to the Nation.

PURPOSES

SEC. 2. It is the purpose of this Act to provide for such measures respecting the areas designated by this Act as the Boundary Waters Canoe Area Wilderness and Boundary Waters Canoe Area Mining Protection Area as will—

(1) provide for the protection and management of the fish and wildlife of the wilderness so as to enhance public enjoyment and appreciation of the unique biotic resources of the region,

(2) protect and enhance the natural values and environmental quality of the lakes, streams, shorelines and associated forest areas of the wilderness,

(3) maintain high water quality in such areas,

(4) minimize to the maximum extent possible, the environmental impacts associated with mineral development affecting such areas,

(5) prevent further road and commercial development and restore natural conditions to existing temporary roads in the wilderness, and

(6) provide for the orderly and equitable transition from motorized recreational uses to nonmotorized recreational uses on those lakes, streams, and portages in the wilderness where such mechanized uses are to be phased out under the provisions of this Act.

BOUNDARY WATERS CANOE AREA WILDERNESS DESIGNATION AND MAP

SEC. 3. The areas generally depicted as wilderness on the map entitled "Boundary Waters Canoe Area Wilderness and Boundary Waters Canoe Area Mining Protection Area" dated September 1978, comprising approximately one million and seventy-five thousand five hundred acres, are hereby designated as the Boundary Waters Canoe Area Wilderness (hereinafter referred to as the "wilderness"). Such designation shall supersede the designation of the Boundary Waters Canoe

16 USC 1132 note.

16 USC 1132.

Area under section 3(a) of the Wilderness Act (78 Stat. 890) and such map shall supersede the map on file pursuant to such section. The map of the wilderness shall be on file and available for public inspection in the offices of the Supervisor of the Superior National Forest and of the Chief, United States Forest Service. The Secretary of Agriculture, hereinafter referred to as "The Secretary," shall, as soon as practicable but in no event later than one year after the date of enactment of this Act, publish a detailed legal description and map showing the boundaries of the wilderness in the Federal Register. Such map and description shall be filed with the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the United States Senate. Such map and description shall have the same force and effect as if included in this Act. Correction of clerical and typographical errors in such legal description and map may be made.

Publication in Federal Register.

Filing with congressional committees.

ADMINISTRATION

SEC. 4. (a) The Secretary shall administer the wilderness under the provisions of this Act, the Act of January 3, 1975 (88 Stat. 2096; 16 U.S.C. 1132 note), the Wilderness Act of 1964 (78 Stat. 890, 16 U.S.C. 1131–1136), and in accordance with other laws, rules and regulations generally applicable to areas designated as wilderness.

Repeal. 16 USC 1133.

(b) Paragraph (5) of section 4(d) of the Wilderness Act of 1964 is hereby repealed and paragraphs (6), (7), and (8) of such section 4(d) are hereby redesignated as paragraphs (5), (6), and (7).

Motorboat use.

(c) Effective on January 1, 1979 the use of motorboats is prohibited within the wilderness designated by this Act, and that portion within the wilderness of all lakes which are partly within the wilderness, except for the following:

(1) On the following lakes, motorboats with motors of no greater than twenty-five horsepower shall be permitted: Fall, Lake County; Newton, Lake County; Moose, Lake County; Newfound, Lake County; Sucker, Lake County; Snowbank, Lake County; East Bearskin, Cook County; South Farm, Lake County; Trout, Saint Louis County; Basswood, except that portion generally north of the narrows at the north end of Jackfish Bay and north of a point on the international boundary between Ottawa Island and Washington Island; Saganaga, Cook County, except for that portion west of American Point; *Provided:* That, on the following lakes, until January 1, 1984, the horsepower limitations described in this paragraph shall not apply to towboats registered with the Secretary: Moose, Lake County: Newfound, Lake County; Sucker, Lake County; Saganaga, Cook County, as limited in this paragraph.

(2) On the following lakes and river, motorboats with motors no greater than ten horsepower shall be permitted: Clearwater, Cook County; North Fowl, Cook County; South Fowl, Cook County; Island River east of Lake Isabella, Lake County; Sea Gull, that portion generally east of Threemile Island, Cook County; Alder, Cook County; Canoe, Cook County.

(3) On the following lakes, or specified portions of lakes, motorboats with motors of no greater than ten horsepower shall be permitted until the dates specified: Basswood River to and including Crooked Lake, Saint Louis and Lake Counties, until January 1, 1984; Carp Lake, the Knife River, and Knife Lake, Lake County, until January 1, 1984; Sea Gull, Cook County, that portion generally west of Threemile Island, until January 1, 1999; Brule,

Cook County, until January 1, 1994, or until the termination of operation of any resort adjacent to Brule Lake in operation as of 1977, whichever occurs first.

(4) On the following lakes, or specified portions of lakes, motorboats with motors of no greater than twenty-five horsepower shall be permitted until January 1, 1984: Birch, Lake County; Basswood, Lake County, that portion generally north of the narrows at the north end of Jackfish Bay and north of a point on the international boundary between Ottawa Island and Washington Island.

(d) The detailed legal description and map to be published pursuant to section 3 of this Act shall contain a description of the various areas where the motorized uses permitted by this section are located. No provision of this section shall be construed to limit mechanical portages or the horsepower of motors used on motorboats in the following areas within the wilderness: Exemptions.

Little Vermilion Lake, Saint Louis County; Loon River, Saint Louis County; Loon Lake, Saint Louis County; that portion of the Lac La Croix, Saint Louis County, south of Snow Bay and east of Wilkins Bay.

(e) For the purposes of this Act, a snowmobile is defined as any motorized vehicle which is designed to operate on snow or ice. The use of snowmobiles in the wilderness designated by this Act is not permitted except that the Secretary may permit snowmobiles, not exceeding forty inches in width, on (1) the overland portages from Crane Lake to Little Vermilion Lake in Canada, and from Sea Gull River along the eastern portion of Saganaga Lake to Canada, and (2) on the following routes until January 1, 1984: Snowmobile use.

Vermilion Lake portage to and including Trout Lake; Moose Lake to and including Saganaga Lake via Ensign, Vera and Knife Lakes, East Bearskin Lake to and including Pine Lake via Alder Lake and Canoe Lake.

In addition to the routes listed above, the Secretary may issue special use permits for the grooming by snowmobiles of specified cross-country ski trails for day use near existing resorts. Trail grooming, special permits.

(f) The Secretary is directed to develop and implement, as soon as practical, entry point quotas for use of motorboats within the wilderness portions of the lakes listed in subsection c, the quota levels to be based on such criteria as the size and configuration of each lake, and the amount of use on that lake: *Provided*, That the quota established for any one year shall not exceed the average actual annual motorboat use of the calendar years 1976, 1977, and 1978 for each lake, and shall take into account the fluctuation in use during different times of the year: *Provided further*, That on each lake homeowners and their guests and resort owners and their guests on that particular lake shall have access to that particular lake and their entry shall not be counted in determining such use. Motorboat use, entry point quotas.

(g) Nothing in this Act shall be deemed to require the termination of the existing operation of motor vehicles to assist in the transport of boats across the portages from Sucker Lake to Basswood Lake, from Fall Lake to Basswood Lake, and from Lake Vermilion to Trout Lake, during the period ending January 1, 1984. Following said date, unless the Secretary determines that there is no feasible nonmotorized means of transporting boats across the portages to reach the lakes previously served by the portages listed above, he shall terminate all such motorized use of each portage listed above. Boat portages, motorized assistance.

Motorized craft, authorizations.

(h) The motorized uses authorized by this section shall be confined to those types of snowmobiles, motorboats and vehicles which have been in regular use in the Boundary Waters Canoe Area prior to the date of enactment of this Act. The Secretary may set forth additional standards and criteria to further define the type of motorized craft which may be permitted.

Additional standards and criteria.

(i) Except for motorboats, snowmobiles, and mechanized portaging, as authorized and defined herein, no other motorized use of the wilderness shall be permitted. Nothing in this Act shall prohibit the use of aircraft, motorboats, snowmobiles, or other mechanized uses in emergencies, or for the administration of the wilderness area by Federal, State, and local governmental officials or their deputies, only where the Secretary finds that such use is essential.

RESORTS

Purchase, notice from owner.

SEC. 5. (a) The owner of a resort in commercial operation during 1975, 1976 or 1977 and located on land riparian to any of the lakes listed below may require purchase of that resort, including land and buildings appurtenant thereto, by written notice to the Secretary prior to September 30, 1985. The value of such resort for purposes of such sale shall be based upon its fair market value as of July 1, 1978, or as of the date of said written notice, whichever is greater, without regard to restrictions imposed by this Act:

Fair market value.

Fall, Lake County, Moose, Lake County, Snowbank, Lake County, Lake One, Lake County, Sawbill, Cook County, Brule, Cook County, East Bearskin, Cook County, Clearwater, Cook County, Saganaga, Cook County, Sea Gull, Cook County, McFarland, Cook County, North Fowl, Cook County, South Fowl, Cook County, Jasper Lake, Lake County, Ojibway, Lake County.

Residence retention.

(b) An owner requiring purchase of a resort under this provision may elect to retain one or more appropriate buildings and lands not exceeding three acres, for personal use as a residence: *Provided*, That the purchase price to the Government for a resort shall be reduced by the fair market value of such buildings and lands, with the same valuation procedures outlined above.

(c) With respect to any privately owned lands and interests in lands riparian to the lakes listed above, and if the Federal Government has been required to purchase a resort on said lake, said lands shall not be sold without first being offered for sale to the Secretary who shall be given a period of one hundred days after the date of each such offer within which to purchase such lands. No such lands shall be sold at a price below the price at which they have been offered for sale to the Secretary, and if such lands are reoffered for sale they shall first be reoffered to the Secretary: *Provided*, That, this right of first refusal shall not apply to a change in ownership of a property within an immediate family.

Appropriation authorization.

(d) There are authorized to be appropriated such sums as may be necessary for the acquisition of lands and interests therein as provided by this section.

TIMBER SALE CONTRACTS

Termination period.

SEC. 6. (a) The Secretary is directed to terminate within a period of one year after the date of passage of this Act, all timber sale contracts in the Boundary Waters Canoe Area Wilderness. There shall be no further logging of the virgin forest areas formerly enjoined from logging by the United States District Court on said contract areas during the termination period.

The purpose of said termination period is only to permit completion of the harvesting of timber within existing areas under contract that are not within the areas described above and permit the taking of ameliorative measures, including land and cover restoration that will, at the earliest feasible date, make the imprint of man's work substantially unnoticeable on the lands included as wilderness in this Act.

Substitution.

(b)(1) In the event that termination of timber sale contracts in subsection (a) reduces the total national forest volume which a purchaser has under contract on the Superior National Forest to less than two years cut based on the average volume of Superior National Forest timber harvested by the purchaser in the last three years, the Secretary may, with the consent of the purchaser, substitute, to the extent practicable, timber on other national forest lands approximately equal in species and volume to the timber sale contract affected. In offering substitute timber, the Secretary shall negotiate the substitution at a price that is mutually equitable considering such factors as species, volume, logging accessibility, and other terms of the agreement.

Compensation.

(2) The United States will pay just compensation for any timber contracts terminated or modified by this Act, consistent with amendment V to the Constitution of the United States. Losses due to costs incurred in directly fulfilling the terms of such contracts shall be paid by the United States. Any action for the recovery from the United States of cost as provided above shall be brought in a court of competent jurisdiction. Any such judgments shall be paid from the claims and judgments fund (31 U.S.C. 724a).

USC prec. title 1.

Recovery.

(c) Within the limits of applicable laws and prudent forest management:

Resource management review and plan. 16 USC 1601.

(1) the Secretary shall, in furtherance of the purposes of subsection (a) of this section and of section 4 of the National Forest Management Act of 1976 (90 Stat. 2949), expedite the intensification of resource management including emphasis on softwood timber production and hardwood utilization on the national forest lands in Minnesota outside the wilderness to offset, to the extent feasible, the reduction in the programmed allowable timber harvest resulting from reclassification of the Boundary Waters Area, and the Secretary shall make a review of progress to date in 1983, and a forecast of planned achievements by 1985 and shall submit, as a part of the 1985 program under the schedule called for in the Resources Planning Act of 1974, a Plan and recommendations for 1985–1990. In administering the Superior National Forest, the Secretary is authorized and directed to engage in artificial and natural regeneration, release, site preparation, and other forms of timber production enhancement.

Administrative provisions.

Grants system, cooperation.

(2) The Secretary, in carrying out the requirements in section (c)(1), is authorized and directed to cooperate with the State of Minnesota and its political subdivisions to develop and implement a system of grants, for the development of renewable resources on State, County and private lands. He may also seek the cooperation of other Federal departments and agencies to assure a coordinated approach to renewable resources development.

Appropriation authorizations.

(d) There is authorized to be appropriated, in addition to such sums as may otherwise be appropriated for the Superior National Forest from existing authorities established by law, the following additional sums for the fiscal years 1980 through 1990 inclusive:

(1) to carry out the purposes of subsection 6(c)(1) an additional $8,000,000 annually; and,

(2) to carry out the purposes of subsection 6(c)(2) an additional $3,000,000 annually: *Provided, however*, That the Federal share of any grant made pursuant to subsection 6(c)(2) shall not exceed 80 percent of the total cost of said grant.

(e) Funds appropriated pursuant to this section shall remain available until expended. Authorizations in excess of funds appropriated in a given fiscal year shall remain available for appropriation in subsequent fiscal years.

(f) In addition to those personnel who would otherwise be available, the Secretary is authorized to appoint and fix the compensation (not to exceed that of grade 15 on the General Schedule for Federal employees) of additional full-time personnel for the Superior National Forest to carry out the purposes of this Act.

5 USC 5332 note.

LAWS APPLICABLE TO CERTAIN LANDS AND WATERS IN THE SUPERIOR NATIONAL FOREST

SEC. 7. (a) The provisions of the Acts listed in paragraph (b) of this section shall continue to apply to lands and waters specified in such Acts notwithstanding the inclusion of any such lands and waters in the wilderness or mining protection area designated under this Act. For lands and waters to which such Acts listed in paragraph (b) apply which are also within the wilderness or mining protection area designated under this Act, any withdrawal, prohibition, or restriction contained in such Acts listed in paragraph (b) shall be in addition to any withdrawal, prohibition, or restriction otherwise applicable to such wilderness or mining protection area under any other law.

(b) The Acts referred to in paragraph (a) are as follows:

(1) The Act of July 10, 1930 (46 Stat. 1020; 16 U.S.C. 577a, 577b), herein referred to as the "Shipstead-Nolan Act".

(2) The Act of June 22, 1948 (62 Stat. 568, as amended, 16 U.S.C. 577c–577b), herein referred to as the "Thye-Blatnik Act".

(c) The provisions of the Shipstead-Nolan Act are hereby extended and made applicable to all lands and waters not otherwise subject to such Act which are within the wilderness designated under this Act.

(d)(1) The authorities contained in the Thye-Blatnik Act are hereby extended and made applicable to all lands and waters not otherwise subject to such Act which are within the wilderness designated under this Act.

(2) In applying the second proviso of section 5 of such Thye-Blatnik Act to the areas to which such Act is extended and made applicable under this subsection, the phrase "fiscal year 1980" shall be substituted for the phrase "the first full fiscal year after the approval of this Act" in such proviso.

16 USC 577g.

(3) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of the Thye-Blatnik Act with respect to the lands and waters within the wilderness designated under this Act. Such sums may be used for the payment of court judgments in condemnation actions brought under the terms of the Thye-Blatnik Act without regard to the date such condemnation actions were initially instituted. Funds appropriated from the Land and Water Conservation Fund may be used for the acquisition of any lands and waters, or interests therein within such wilderness.

Appropriation authorization.

EXISTING AIRSPACE RESERVATION

SEC. 8. The provisions of Executive Order 10092 as made applicable to the Boundary Waters Canoe Area established by the Wilderness Act of 1964 shall be deemed incorporated into this Act.

3 CFR 1949–1953 Comp., p. 287
16 USC 1131 note.

MINING PROTECTION AREA ESTABLISHMENT

SEC. 9. In order to protect existing natural values and high standards of environmental quality from the adverse impacts associated with mineral development, there is hereby established the Boundary Waters Canoe Area Mining Protection Area (hereinafter in this Act referred to as the "mining protection area"), comprising approximately two hundred and twenty-two thousand acres.

MAP AND BOUNDARIES

SEC. 10. The mining protection area shall comprise the area generally depicted as a mining protection area on the map entitled "Boundary Waters Canoe Area Wilderness and Boundary Waters Canoe Area Mining Protection Area" dated September 1978, which shall be on file and available for public inspection in the offices of the Supervisor of the Superior National Forest and of the Chief, United States Forest Service. As soon as practicable after this Act takes effect, the Secretary shall file a map and a legal description of the mining protection area with the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the United States Senate. Such map and description shall have the same force and effect as if included in this Act. Correction of clerical and typographical errors in such description may be made.

Filing with congressional committees.

MINING AND MINERAL LEASING IN THE WILDERNESS AND MINING PROTECTION AREA

SEC. 11. (a) In addition to any other applicable prohibition or withdrawal from entry or appropriation under any provision of the Wilderness Act or under any other provision of law, no permit, lease, or other authorization may be issued by any agency or authority of the United States for—

Prohibitions.

(1) exploration for, or mining of, minerals owned by the United States within the Boundary Waters Canoe Area Wilderness and Boundary Waters Canoe Area Mining Protection Area; or

(2) exploration for, or mining of minerals within such areas if such activities may affect navigable waters; or

(3) the use of property owned by the United States in relation to any mining of or exploration for minerals in such areas which may materially impair the wilderness qualities of the wilderness area or which may materially impair the natural values and environmental quality of the mining protection area.

The prohibitions contained in this subsection and any withdrawal from entry or appropriation for mining of or exploration for minerals applicable to the Boundary Waters Canoe Area Wilderness and Boundary Waters Canoe Area Mining Protection Area shall not apply to the extent specifically provided in legislation enacted by the United States after the date of enactment of this Act pursuant to a national emergency declared by the President.

(b)(1) Consistent with the prohibitions and other requirements in subsection (a) of this section, no permit, lease, or other authorization shall be issued unless and until—

(A) the Secretary shall have approved a plan that details how mining will be conducted consistent with this Act and with other Federal, State, and local requirements, and that details how the

area will be restored to its original condition or to a substantially equivalent condition, including the estimated cost thereof;

(B) the applicant has posted a bond for performance payable to the United States in an amount determined by the Secretary to be sufficient to assure completion of the reclamation plan if the work had to be performed by the United States;

(C) the applicant shall have obtained all permits, licenses, certifications, and approvals required by Federal, State, or local law; and (iv) the Secretary has determined that no permanent facility will be constructed nor alteration will occur that could render the area incapable of reverting to its original condition or to a substantially equivalent condition.

(2) The provisions of paragraphs (2) and (3) of section 4(d) of the Wilderness Act (78 Stat. 890; 16 U.S.C. 1133(d)(2) and 16 U.S.C. 1133(d)(3)) shall not apply to the area designated herein as the Boundary Waters Canoe Area Wilderness.

Minerals or mineral rights, acquisition.

(c) The Secretary is authorized to acquire any minerals or mineral rights within the wilderness and mining protection area alleged to be owned by persons other than the Federal or State governments in the following manner:

(1) The Secretary first may seek to acquire these minerals or mineral rights by donation. In seeking a donation, the Secretary shall inform the person alleging the ownership interest of the procedures and limitations to be followed in acquisition by purchase as set forth in paragraph (2) below.

(2) If the person alleging the ownership interest does not donate his minerals or mineral rights to either the Federal or State governments, the Secretary is authorized to acquire the rights by purchase, within the limits of funds appropriated for property acquisition in the Superior National Forest, and in an amount appropriately discounted for the following factors if existent in relation to the particular mineral interest:

(A) The original patenting from the Federal public domain was fraudulent. The patenting of lands in the Boundary Waters Canoe Area Wilderness and Boundary Waters Canoe Area Mining Protection Area is prima facie fraudulent if (1) the Act under which the patent was issued was one of the Acts intended to put settlers on the land, such as, but without limitation, the Cash Purchase Act of 1820 (chapter LI, Act of April 24, 1820, 3 U.S. Stat. 566, 567, as amended); the Preemption Act of 1830 (chapter CCVIII, Act of May 29, 1830, 4 U.S. Stat. 420, 421, as amended); the Homestead Act of 1862 (chapter LXXV, Act of May 20, 1862, 12 U.S. Stat. 392–394, as amended); and the Timber and Stone Act (chapter 150, Act of June 3, 1878, 20 U.S. Stat. 88, 89, as amended, particularly by chapter 375, Act of August 4, 1892, 27 U.S. Stat. 348); and (2) the land was patented after 1875 and before the establishment of the Superior National Forest by proclamation on February 13, 1909. The Secretary also shall consider any other evidence of fraud when determining the value of the minerals such as (1) the transfer by the entryman or patentee of whole or partial interests in the property during the patenting process or soon thereafter, (2) the appearance in the chain of title of persons known to have participated in land speculation as land brokers, entrymen, or in other capacities.

(B) The date of separation of the mineral or mineral rights from the surface interest, if the separation occurred after 1927, the year when the courts have determined that the roadless policy was established by the Secretary for the area.

(C) Any other factor, such as restrictions on mining within the area imposed by State or local government, or by operation of treaty.

(d) In the event any legal action or proceeding is instituted by or against the United States in relation to minerals or mineral rights where the patenting is prima facie fraudulent as described in subsection (c) of this section, the Attorney General of the United States shall assert the public's equitable right to constructive or public trusts, or to recover or offset damages including but not limited to those based on the value of land fraudulently acquired plus interest at 6 per centum per annum.

(e) Notwithstanding any requirement of this section, the Secretary shall have authority to acquire within the wilderness or mining protection area designated by this Act, existing mineral interests by donation, purchase, exchange, or through exercise of the power of eminent domain.

(f) There is authorized to be appropriated to the Secretary such sums as may be required to carry out the purposes of this section, to be available until expended. Appropriation authorization.

SEVERABILITY

SEC. 12. If any provision of this Act is declared to be invalid, such declaration shall not affect the validity of any other provision hereof.

EXISTING STRUCTURES

SEC. 13. Nothing in this Act or the Wilderness Act shall be construed to prohibit the maintenance of the Prairie Portage Dam (on the international boundary chain between Birch and Basswood Lakes), and the Secretary is authorized to perform such maintenance work as may be required to keep that dam functional at its present height and width. The Secretary is authorized to maintain other existing water control structures only where such structures are necessary to protect wilderness values or public safety. 16 USC 1131 note.

JURISDICTION OVER FISH AND WILDLIFE

SEC. 14. Nothing in this Act shall be construed as affecting the jurisdiction or responsibilities of the State with respect to fish and wildlife in the wilderness and the mining protection area.

JURISDICTION OVER WATERS

SEC. 15. The Secretary is authorized to promulgate and enforce regulations that limit or prohibit the use of motorized equipment on or relating to waters located within the wilderness in accordance with the provisions of this Act: *Provided*, That nothing in this Act shall be construed as affecting the jurisdiction or responsibilities of the State with respect to such waters except to the extent that the exercise of such jurisdiction is less stringent than the Secretary's regulations promulgated pursuant to this section: *Provided further*, That any regulations adopted pursuant to this Act shall be complementary to, and not in derogation of regulations issued by the United States Coast Guard. Regulations.

Cooperative agreements.

The Secretary is authorized to enter into cooperative agreements with the State of Minnesota with respect to enforcement of Federal and State regulations affecting the wilderness and the mining protection area.

COOPERATION WITH STATE

Administration of mining protection area and adjacent lands.

SEC. 16. (a) The Secretary shall cooperate with the State of Minnesota and any political subdivision thereof in the administration of the mining protection area and in the administration and protection of lands within or adjacent to the mining protection area owned or controlled by the State or any political subdivision thereof. Nothing in this title shall deprive the State of Minnesota or any political subdivision thereof of its right to exercise civil and criminal jurisdiction within the wilderness and the mining protection area and impose land use controls and environmental health standards on non-Federal areas within the wilderness and the mining protection area, or of its right to tax persons, corporations, franchises, or other non-Federal property, including mineral or other interests, in or on lands or waters within the wilderness and the mining protection area.

(b) The Secretary is authorized to enter into cooperative agreements with the State of Minnesota with respect to enforcement of Federal and State regulations affecting the wilderness and the mining protection and shall consult with the State of Minnesota in an effort to enhance the multiple-use benefits to be derived from both State and national forest lands.

TREATIES

SEC. 17. Nothing in this Act shall affect the provisions of any treaty now applicable to lands and waters which are included in the mining protection area and the wilderness.

EXPANSION OF RECREATION PROGRAMS

SEC. 18. (a) The Secretary is authorized and directed to expedite and intensify the program of dispersed outdoor recreation development on the Superior National Forest outside the Boundary Waters Canoe Area Wilderness, as designated by this Act. The Secretary shall consider in such new program development the need for the following: additional snowmobile trails, particularly those now planned or under construction; remote campsites on lightly developed lakes; and lake access sites and parking facilities to provide motorized recreation experiences similar to those previously available in the Boundary Waters Canoe Area.

16 USC 1131 note.

(b) The Secretary, consistent with the Wilderness Act of 1964 and with this Act, is authorized to construct a system of new hiking, backpacking and cross-country ski trails within the Boundary Waters Canoe Area Wilderness as designated by this Act, and on appropriate adjacent Federal lands outside the wilderness. In constructing such a trail system, consideration should be given to locating portions of the system near existing resorts on the perimeter of the wilderness to provide additional outdoor recreation opportunities for resort guests.

(c) The Secretary is authorized and directed to develop an educational program for the recreational users of the wilderness which will assist them to understand the purpose, value, and appropriate use of wilderness lands and the functioning of natural ecosystems in wilderness.

Program for disabled persons.

(d) The Secretary in cooperation with the State of Minnesota and other appropriate groups, consistent with the purposes of this Act,

is authorized and directed to develop a program providing opportunities for a wide range of outdoor experiences for disabled persons.

(e) There are authorized to be appropriated such sums as may be necessary for the Secretary to carry out the purposes of this section. Appropriation authorization.

SEC. 19. (a) The Secretary, in cooperation with other appropriate executive agencies, is authorized and directed to develop a cooperative program of technical and financial assistance to resorts in commercial operation in 1975, 1976, and 1977, and outfitters in commercial operation in 1977 which are located within the mining protection area or which are located on land adjacent to any of the lakes listed in section 5 of this Act. There are authorized to be appropriated such sums as may be necessary for the purposes of this subsection. Technical and financial assistance for certain commercial operations.

(b) There are authorized to be appropriated to the Secretary funds to be made available as grants to the Agricultural Extension Service, University of Minnesota, to provide over a three-year period educational and technical assistance to businesses and communities adjacent to the Boundary Waters Canoe Area Wilderness in order to improve economic opportunities for tourism and recreation-related businesses in a manner which is complementary to the management of the wilderness. Grants.

MANAGEMENT STUDY

SEC. 20. The Secretary, acting through the Chief, United States Forest Service, shall, not later than October 1, 1981, submit to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate, a comprehensive management plan setting forth the specific management procedures to implement the objectives of this Act. An interim report setting forth public involvement procedures, management alternatives, and a timetable for the remaining study actions, shall be submitted within one year from the date of enactment of this Act. Submittal to congressional committees. Interim report.

LIMITATION OF AUTHORIZATIONS

SEC. 21. All authorizations for any funds to be appropriated under the terms of this Act shall not be effective until October 1, 1979. Notwithstanding any other provision of this Act, authority to enter into agreements or to make payments under this Act shall be effective only to the extent or in such amounts as are provided in advance in appropriation Acts.

Approved October 21, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-1117, Pt. I (Comm. on Interior and Insular Affairs) and No. 95-1790 (Comm. of Conference).

SENATE REPORTS: No. 95-1274 (Comm. on Energy and Natural Resources) and No. 95-1327 (Comm. of Conference).

CONGRESSIONAL RECORD, Vol. 124 (1978):

June 5, considered and passed House.

Oct. 9, considered and passed Senate, amended.

Oct. 15, House and Senate agreed to conference report.

Public Law 95-496
95th Congress

An Act

Oct. 21, 1978
[S. 1081]

To amend certain laws relating to the Osage Tribe of Oklahoma, and for other purposes.

Indians.
Osage Tribe, Okla.
Tribal government, elections and appointments.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 9 of the Act of June 28, 1906 (34 Stat. 539, 545), as amended, is further amended to read as follows: "There shall be a quadrennial election of the officers of the Osage Tribe as follows: A principal chief, an assistant principal chief, and eight members of the Osage Tribal Council shall be elected to succeed the officers elected in the year 1974 at a general election to be held in the town of Pawhuska, Oklahoma, on the first Monday in June 1978 and on the first Monday in June of each fourth year thereafter, in a manner to be prescribed by the Secretary of the Interior, and said officers shall be elected for a period of four years commencing on the first day of July following the election. In case of a vacancy in the office of principal chief or other officer by death, resignation, or otherwise, the vacancy shall be filled in a manner to be prescribed by the Osage Tribal Council. In the event of a common disaster and a quorum of five of the Osage Tribal Council does not survive, the Secretary shall appoint a principal chief and/or the number of councilmen necessary to complete a total of eight, to serve until the next quadrennial election. The Secretary is hereby authorized to remove from the council any member or members for good cause, to be by him determined, after the party involved has had due notice and opportunity to appear and defend himself. The tribal government so constituted shall continue in full force and effect until January 1, 1984, and thereafter until otherwise provided by Act of Congress.".

SEC. 2. (a) The first paragraph of section 3 of the Act of June 24, 1938 (52 Stat. 1034, 1035), as amended, extending the mineral estate reserved to the Osage Tribe by the Act of June 26, 1906 (34 Stat. 539), is further amended by striking the phrase "until the eighth day of April 1983, and thereafter until otherwise provided by Act of Congress" and substituting, in lieu thereof, the phrase "in perpetuity".

(b) The second paragraph of section 3 of the Act of June 24, 1938 (52 Stat. 1034, 1035), as amended, is amended by striking the phrase "unless otherwise provided by Act of Congress" and inserting, in lieu thereof, the phrase "and thereafter until otherwise provided by Congress".

(c) The fourth paragraph of section 3 of the Act of June 24, 1938 (52 Stat. 1034, 1036) is amended by striking the phrase "January 1, 1984" and inserting, in lieu thereof, the phrase "January 1, 1984 and thereafter until otherwise provided by Congress".

Repeal.
25 USC 331 note.

SEC. 3. (a) The Act of February 5, 1948 (62 Stat. 18) is hereby repealed.

Competency certificate revocation, application.
25 USC 331 note.

(b) Any Osage Indian having received a certificate of competency under paragraph 7 of section 2 of the Act of June 28, 1906 (34 Stat. 539, 542); section 3 of the Act of March 2, 1929 (45 Stat. 1478, 1480); or the Act of February 5, 1948 (62 Stat. 18), may make application to the Secretary of the Interior to revoke such certificate and the Secretary shall revoke such certificate: *Provided*, That revocation of any

certificate shall not affect the legality of any transactions heretofore made by reason of the issuance of any such certificate. Restrictions against alienation of lands heretofore removed are not reimposed.

(c) Sections 3 and 4 of the Act of February 27, 1925 (43 Stat. 1008 1010–11); and section 4 of the Act of March 2, 1929 (45 Stat. 1478, 1480); and sections 1 and 3 of the Act of June 24, 1938 (52 Stat. 1034) are hereby amended by striking, wherever they occur, the phrases "of one-half or more Indian blood", "of more than one-half Indian blood", "of one-half or more Osage Indian blood", and "or who is one-half or more Osage Indian blood".

Oil and gas lease unitization, rules.
25 USC 331 note.

SEC. 4. In order to conserve natural resources and provide for the greatest ultimate recovery of oil and gas underlying the Osage mineral estate, the Secretary of the Interior is authorized to establish rules and regulations under which oil and gas leases producing from a common source of supply may be unitized.

Mineral interest and estate, disposition.

SEC. 5. (a) Section 8 of the Act of April 18, 1912 (37 Stat. 86, 88), is hereby amended to read as follows: "Any person of Osage Indian blood, eighteen years of age or older, may dispose of his Osage headright or mineral interest and the remainder of his estate (real, personal and mixed, including trust funds) from which restrictions against alienation have not been removed by will executed in accordance with the laws of the State of Oklahoma: *Provided*, That the will of any Osage Indian shall not be admitted to probate or have any validity unless approved after the death of the testator by the Secretary of the Interior. The Secretary shall conduct a hearing as to the validity of such will at the Osage Indian Agency in Pawhuska, Oklahoma. Notice of such hearing shall be given by publication at least ten days before the hearing in a newspaper of general circulation in Osage County, Oklahoma, and by mailing notice of such hearing to the last known address of all known heirs, legatees, and devisees. The cost of publication shall be borne by the estate. The rules of evidence of the State of Oklahoma shall govern the admissibility of evidence at such hearing. All evidence relative to the validity of the will of an Osage Indian shall be submitted to the Secretary within one hundred and twenty days after the date of the petition for approval of such will is filed with the Secretary, unless for good cause shown the Secretary extends the time: *Provided*, That such time shall not be extended beyond six months from the date of the first hearing. For purposes of determining the validity of any will, the Secretary is hereby granted the same subpena power as is vested in the courts. All costs of obtaining witnesses and evidence before the Secretary shall be borne by the party producing such witnesses or evidence, subject to such costs being taxed to the estate in the event that the District Court of the State of Oklahoma having jurisdiction should determine such costs beneficial to the whole estate. Notwithstanding any appeal from the decision of the Secretary, approval of such will by the Secretary shall entitle it to be admitted to probate without further evidence as to its validity or, upon disapproval thereof, the heirs may immediately petition for letters of administration in the district court. No appeal from the order of the Secretary approving or disapproving any will shall stay the issuance of letters testamentary or of administration: *Provided*, That such letters shall not confer power to sell any restricted assets by virtue of any provision in such will, pay or satisfy legacies, or distribute property of the decedent to the heirs or beneficiaries until the final determination of

Notice and hearing.

Subpenas.

Appeal.

the appeal, but all other action taken by the district court pending said appeal shall be valid and binding. No court except a Federal court shall have jurisdiction to hear a contest of a probate of a will that has been approved by the Secretary. Such appeals shall be on the record made before the Secretary and his decisions shall be binding and shall not be reversed unless the same is against the clear weight of the evidence or erroneous in law.".

Probate.

(b) Section 3 of the Act of April 18, 1912 (37 Stat. 86), is hereby amended to read as follows: "That the property of deceased and of orphan minor, insane, or other incompetent Osage Indians, such incompetency being determined by the laws of the State of Oklahoma which are hereby extended for such purpose to all Osage Indians, shall, in probate matters, be subject to the District Court of Oklahoma having jurisdiction. A copy of all papers filed in the district court shall be served on the Superintendent of the Osage Agency at the time of filing, and said Superintendent is authorized, whenever the protection of the interest of the Osage Indian requires, to appear in the district court. The Superintendent of the Osage Agency or the Secretary of the Interior, whenever he deems the same necessary, may investigate the conduct of executors, administrators, guardians, or other persons having charge of the estate of any minor, incompetent, or deceased Osage Indian. Whenever he shall be of the opinion that the estate is in any manner being dissipated, wasted, or permitted to deteriorate in value by reason of the negligence, carelessness, or incompetency of the executor, administrator, guardian, or other person in charge of the estate, the Superintendent of the Osage Agency or the Secretary is authorized, and it shall be his duty, to report said matter to the district court, take the necessary steps to have such case fully investigated, and prosecute any remedy, either civil or criminal, as the exigencies of the case may require. The costs and expenses of any civil proceedings shall be a charge upon the estate of the Osage Indian or upon the executor, administrator, guardian, or other person in charge of the estate of the Osage Indian and his surety, as the district court shall determine. Every bond of the executor, administrator, guardian, or other person in charge of the estate of any Osage Indian shall be subject to the provisions of this section and shall contain therein a reference hereto: *Provided*, That no guardian shall be appointed for a minor whose parents are living unless the estate of said minor is being wasted or misused by such parents: *Provided further*, That no land shall be sold or alienated under the provisions of this section without approval of the Secretary.".

Estate handling, investigation and prosecution.

Limitations.

Inheritance.
25 USC 331 note.

(7) Section 7 of the Act of February 27, 1925 (43 Stat. 1008, 1011), as amended, is hereby further amended to read as follows: "Hereafter none but heirs of Indian blood and children legally adopted by a court of competent jurisdiction and parents, Indian or non-Indian, shall inherit from Osage Indians any right, title, or interest to any restricted land, moneys, or Osage headright or mineral interest.".

25 USC 331 note.

(d) Notwithstanding the provisions of subsections (a), (b), and (c) of this section, disposition of any Osage headright or mineral interest shall be subject to the provisions of section 7 of this Act.

Inter vivos trust.
25 USC 331 note.

SEC. 6. (a) With the approval of the Secretary of the Interior, any person of Osage Indian blood, eighteen years of age or older, may establish an inter vivos trust covering his headright or mineral interest except as provided in section 8 hereof; surplus funds; invested surplus

funds: segregated trust funds; and allotted or inherited land, naming the Secretary of the Interior as trustee. An Osage Indian having a certificate of competency may designate a banking or trust institution as trustee. Said trust shall be revocable and shall make provision for the payment of funeral expenses, expenses of last illness, debts, and an allowance to members of the family dependent on the settlor.

(b) Property placed in trust as provided by this section shall be subject to the same restrictions against alienation that presently apply to lands and property of members of the Osage Tribe, and the execution of such instrument shall not in any way affect the tax-exempt status of said property.

Headright or mineral interest, alienation limitations.
25 USC 331 note.

SEC. 7. After passage of this Act, a person not of Osage Indian blood, except a child legally adopted by an Osage Indian in any court of competent jurisdiction and the lineal descendants of such adopted child, subject to the stipulation that such adopted child or his lineal descendants cannot alienate his Osage headright or mineral interest and the devolution thereof is limited to intestacy, will, or inter vivos trust the same as if he were of Osage Indian blood, is prohibited from receiving more than a life estate in an Osage headright interest owned by an Osage Indian, such adopted child or his lineal descendants, whether such interest is received by will, inter vivos trust, or Oklahoma law of intestate succession. Upon the death of such recipient, the Osage headright or mineral interest shall vest in the remaindermen thereof who are of Osage Indian blood, adopted children, and/or lineal descendents of such adopted children designated by the will or inter vivos trust of the deceased Osage Indian, his adopted child, or the lineal descendants of such adopted child. If such instrument does not designate remaindermen thereof who are of Osage Indian blood, adopted children, and/or lineal descendants of such adopted children, or if the deceased died intestate, the Osage headright or mineral interest shall vest in his heirs pursuant to the Oklahoma law of intestate succession, subject to the above limitations. On the death of the non-Osage beneficiary or heir, except in the case of adopted children or lineal descendants of such adopted children, such Osage headright or mineral interest shall vest in the Osage Tribe and the Tribe shall pay the estate of the non-Osage beneficiary or heir the market value of such Osage headright or mineral interest. Payments under this section shall be made from Osage tribal mineral funds authorized to be expended by section 8(b) hereof.

25 USC 331 note.

SEC. 8. (a) Any individual right to share in the Osage mineral estate (commonly referred to as "headright") owned by a person not of Indian blood may not, without the approval of the Secretary of the Interior, be sold, assigned, or transferred. Sale of any such interest shall be subject to the right of the Osage Tribe to purchase it within forty-five days at the highest legitimate price offered the owner thereof.

(b) Prior to the time and tribal mineral income is segregated for distribution to individual headright owners, the Secretary of the Interior, at the request of the Osage Tribal Council, may direct the use of any such income for the purchase of Osage headright interests offered for sale to the Osage Tribe pursuant to this section or vested in the Osage Tribe pursuant to section 7 of this Act.

Determination.
25 USC 331 note.

SEC. 9. Under such regulations as the Secretary of the Interior may prescribe, the heirs and legatees of any deceased owner of an Osage headright or mineral interest, real estate on which restrictions against alienation have not been removed, and funds on deposit at the Osage Agency may be determined by the Secretary if such aggregate interests do not exceed $10,000: *Provided*, That no court of competent jurisdiction has undertaken the probate of the deceased's estate and a request for such administrative determination has been made to the Secretary by one or more of the heirs or legatees.

Approved October 21, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1459, accompanying H.R. 11894 (Comm. on Interior and Insular Affairs).
SENATE REPORT No. 95-1157 (Select Comm. on Indian Affairs).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 8, considered and passed Senate.
Oct. 3, H.R. 11894 considered and passed House; passage vacated, and S. 1081, amended, passed in lieu.
Oct. 7, Senate concurred in House amendments.

Public Law 95-497
95th Congress

An Act

Relating to the application of certain provisions of the Internal Revenue Code of 1954 to specified transactions by certain public employee retirement systems created by the State of New York or any of its political subdivisions.

Oct. 21, 1978
[H.R. 12051]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Taxes.
New York public employees.
Retirement systems.
26 USC 41.
26 USC 503.

SECTION 1. QUALIFIED STATUS OF PARTICIPATING PENSION PLANS.

(a) GENERAL RULE.—A participating pension plan shall not be considered to fail to satisfy the requirements of section 401(a) of the Internal Revenue Code of 1954, and shall not be considered to have engaged in a prohibited transaction described in section 503(b) of such Code, merely because—

(1) during the period beginning on July 1, 1978, and ending on June 30, 1982, the plan acquires city indebtedness which meets the applicable requirements of section 2, or

(2) the plan continues to hold any city indebtedness acquired—

(A) pursuant to this Act or Public Law 94-236, or 90 Stat. 238.

(B) before November 26, 1975.

(b) ACQUISITION OF INDEBTEDNESS PURSUANT TO AGREEMENT.—The acquisition of city indebtedness by a participating pension plan under an agreement for the acquisition of city indebtedness meets the applicable requirements of section 2 if—

(1) the agreement is not disapproved by the Secretary under subsection (c), and

(2) the plan certifies to the Secretary (and furnishes to the Secretary and to the appropriate committees of the Congress such supporting information and documentation as the Secretary shall require) that the acquisition—

(A) is made under the agreement, and

(B) meets the applicable requirements of section 2 (determined without regard to the provisions of subsections (b), (c), and (f) of section 2).

(c) SIXTY-DAY PERIOD FOR DISAPPROVAL.—

(1) IN GENERAL.—Before entering into an agreement described in subsection (b), and before acquiring any city indebtedness not covered by such an agreement, the participating pension plan shall notify the Secretary of the proposed agreement or acquisition. If the Secretary determines (not later than 60 days after the date of such submission or such shorter period as the Secretary may establish) that such agreement or acquisition does not meet any requirement of section 2, the Secretary shall disapprove such agreement or acquisition (as the case may be). For purposes of this subsection, an amendment, or a waiver of any provision, of such an agreement shall be treated as a new agreement.

(2) NOTIFICATION.—The Secretary shall, not later than the 10th day after the close of the period applicable under paragraph (1), notify the appropriate committees of the Congress of the determinations he has made with respect to the submission and the reasons on which such determinations were based.

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SEC. 2. REQUIREMENTS.

(a) LIMITATIONS ON AMOUNT OF DEBT TO BE ACQUIRED.—

(1) PERCENTAGE LIMITATIONS.—An acquisition of city indebtedness by a participating pension plan does not meet the requirements of this section if—

(A) AGGREGATE LIMIT ON ACQUISITIONS BY CITY PLANS.—In the case of a city plan, the plan acquires any city indebtedness after June 30, 1979, and before the city plans meet the percentage limitation on holdings of city indebtedness applicable under this subparagraph for the 12-month period ending on the most recently preceding June 30. The percentage limitation on holdings of city indebtedness under this subparagraph is not met if the value of city indebtedness held by all city plans exceeds a percentage of the aggregate assets of all city plans equal to—

(i) 40 percent for the 12-month period ending on June 30, 1979,

(ii) 36 percent for the 12-month period ending on June 30, 1980,

(iii) 33 percent for the 12-month period ending on June 30, 1981, and

(iv) 30 percent for the 12-month period ending on June 30, 1982.

(B) LIMIT ON ACQUISITIONS BY EACH CITY PLAN.—In the case of a city plan, the plan acquires any city indebtedness which, when added to other city indebtedness held by such plan, would cause such holdings to exceed 50 percent of the assets of such plan at the time of the acquisition.

(C) LIMIT ON ACQUISITIONS BY STATE PLAN.—In the case of a State plan, the plan acquires any city indebtedness which, when added to other city indebtedness held by such plan, would cause such holdings to exceed 10 percent of the assets of such plan at the time of the acquisition.

(D) DETERMINATIONS OF WHETHER THE PERCENTAGE LIMITATIONS HAVE BEEN MET.—

(i) AGGREGATE LIMIT.—For the purpose of determining whether the percentage limitation on holdings of city indebtedness under subparagraph (A) has been met for any 12-month period described in that subparagraph, the plan shall use the arithmetic mean (expressed as a percentage) of 4 fractions, the numerators of which are the value of city indebtedness held by all city plans as of the close of each calendar quarter within the 12-month period for which the determination is being made and the denominators of which are the value of the assets of all city plans as of the close of each such calendar quarter. If the percentage limitation under subparagraph (A) is not met for a 12-month period on the basis of the 4 fractions for the 4 calendar quarters within that 12-month period, the plan shall make a redetermination for that 12-month period as of the close of the first calendar quarter, if necessary, the second calendar quarter and, if necessary, the third calendar quarter following the 12-month period using the 4 fractions for the 12-month

period and the fraction or fractions for the additional quarter or quarters. If the value of city indebtedness or plan assets is not available for any quarter at the time the determination of the fraction for that quarter is being made, the plan shall use a value derived from interpolations from the most recently available semi-annual valuations.

(ii) PLAN LIMIT.—In making a determination of whether or not an acquisition of city indebtedness meets the requirements of subparagraph (B) or (C), the plan shall make determinations based on the most current data available as to the holdings of city indebtedness and on the basis of the most recently available semiannual valuation of assets of the plan.

(2) METHOD OF VALUATION.—For purposes of this subsection—

(A) city indebtedness is to be valued by the plan at its face value, and

(B) all other assets are to be valued by the plan under methods determined by the Secretary to be consistent with the methods of valuing assets for purposes of section 412 of the Internal Revenue Code of 1954. 26 USC 412.

(b) STANDARDS.—

(1) OVERALL STANDARD.—The overall standard used by the Secretary under this Act in determining whether or not to disapprove an agreement for the acquisition of city indebtedness under section 1(c) shall be the extent to which the acquisition of city indebtedness under the agreement will, in the case of a city plan—

(A) maintain the ability of the city—

(i) to make future contributions to the plan or trust, and

(ii) to satisfy its future obligations to pay pension and retirement benefits to members and beneficiaries of such plan or trust, and

(B) protect the sources of funds to provide retirement benefits for members and beneficiaries of the plan or trust.

(2) FACTORS TO BE TAKEN INTO ACCOUNT.—In determining whether or not to disapprove such an agreement the Secretary shall take into account (among other factors) the terms of the obligations which are to be acquired under the agreement.

(3) FISCAL PARTICIPATION BY PRIVATE SOURCES OR PUBLIC CREDIT MARKETS.—The Secretary shall disapprove any such agreement unless he has received assurances to his satisfaction that there will be significant participation in the acquisition of city indebtedness by the State, an agency of the State, or private sources, or through public credit markets.

(c) REQUIREMENTS WITH RESPECT TO FISCAL CONDITION OF THE CITY.—

(1) SUBSTANTIAL PROGRESS TOWARD A BALANCED BUDGET BY 1982.—An acquisition of city indebtedness by a participating pension plan during any fiscal year beginning after June 30, 1979, does not meet the requirements of this section unless the Secretary has

determined for such fiscal year that the city is making substantial progress toward operating under expense budgets which do not show a deficit.

(2) PRINCIPLES TO BE APPLIED UNDER PARAGRAPH (1).—The Secretary shall make the determination required under paragraph (1) on the basis of—

(A) whether or not the requirements of paragraph (5) of section 103 of the New York City Loan Guarantee Act of 1978 (as such Act is in effect on the date of enactment of this Act) are being met, and

Ante, p. 461.

(B) the annual audited financial statements of the city prepared in accordance with generally accepted accounting principles (including principles applicable to municipal governments which provide for a clear division between operating outlays and revenues on the one hand and capital expenditures and revenues on the other hand) and in accordance with generally accepted auditing standards.

(d) PLANS HAVING NEGATIVE CASH FLOW.—

(1) IN GENERAL.—An acquisition of any city indebtedness by a city plan does not meet the requirements of this section if the plan would have a negative cash flow for the fiscal year of acquisition.

(2) SPECIAL RULES.—For purposes of paragraph (1)—

(A) cash flow shall be determined by the plan for each fiscal year, and also whenever the plan enters into an agreement which must be submitted to the Secretary under section 1(c) (including any amendment of, or waiver under, such an agreement),

(B) cash flow shall be determined in the same manner as provided in paragraph (3) of subsection (e), and

(C) the effect of completed and proposed acquisitions during the plan year on the cash flow shall be taken into account.

(e) REPORTS.—

(1) ANNUAL REPORT BY PLANS ON RECEIPTS, DISBURSEMENTS, HOLDINGS, AND CASH FLOW.—

(A) ANNUAL REPORT.—An acquisition of any city indebtedness by any participating city pension plan does not meet the requirements of this section unless, for each preceding plan year beginning after June 30, 1978, and ending more than 8 months and 15 days before the date of the acquisition, the plan has submitted an annual report which meets the requirements of paragraph (2) to the Secretary and to the appropriate committees of the Congress.

(B) PROJECTED CASH FLOW.—An acquisition of city indebtedness by any participating city pension plan for any plan year does not meet the requirements of this section unless the plan has submitted to the Secretary and to the appropriate committees of the Congress a statement showing the projected cash flow for the plan year.

(2) ANNUAL REPORT BY INDEPENDENT PUBLIC ACCOUNTANT.—An annual report does not meet the requirements of this paragraph unless it—

(A) includes an analysis of compliance by the plan throughout the fiscal year with the requirements of subparagraphs (A) and (B) of subsection (a)(1),

(B) is prepared in accordance with generally accepted accounting principles, and

(C) meets the requirements of paragraph (3) of section 103(a) of the Employee Retirement Income Security Act of 1974, as in effect on the date of enactment of this Act (without regard to the last 4 sentences of subparagraph (A) of that paragraph). 29 USC 1023.

(3) RULES FOR DETERMINING CASH FLOW.—For purposes of paragraph (1)(B), the cash flow—

(A) shall take into account contributions and other income (such as dividends and interest) on the one hand and the payment of benefits and expenses on the other hand, and

(B) shall not take into account items properly chargeable to capital account (such as the proceeds from the sale or redemption of assets), other than—

(i) payment of principal during the period a debt is outstanding,

(ii) payment of principal at maturity or redemption, and

(iii) proceeds from the sale of obligations having a maturity of one year or less at the time of sale.

(f) CITY MUST COMPLY WITH REQUIREMENTS OF SECTION 103(7) OF NEW YORK CITY LOAN GUARANTEE ACT OF 1978.—An acquisition of city indebtedness by a city pension plan for any plan year does not meet the requirements of this section unless, at the time of the acquisition, the Secretary has determined that the requirements of paragraph (7) of section 103 of the New York City Loan Guarantee Act of 1978, as in effect on the date of enactment of this Act, have been met. *Ante*, p. 461.

SEC. 3. NOTIFICATION OF PLANS AND CITY OF ACQUISITIONS WHICH FAIL TO MEET REQUIREMENTS OF THE ACT; REGULATIONS.

(a) NOTIFICATION OF PLANS AND CITY.—

(1) NOTICE OF FAILURE TO MEET REQUIREMENTS.—Whenever the Secretary determines that an acquisition of city indebtedness has not met one of the requirements of section 2, he shall notify the participating plan or plans involved.

(2) NOTICE OF POSSIBLE PROSPECTIVE FAILURE.—The Secretary shall notify each participating pension plan and the city whenever he finds, based on information available to the Secretary, that a future acquisition of city indebtedness will fail to meet the requirements of section 2 because of the requirement of subsection (a)(1)(A) or (c) of that section, and he shall notify the participating pension plan concerned and the city whenever it appears that a future acquisition of city indebtedness by that plan will fail to meet the requirements of section 2 for any other reason.

(b) REGULATIONS.—The Secretary of the Treasury or his delegate is authorized to prescribe such regulations as may be necessary to carry out the provisions of this Act. Regulations.

SEC. 4. DEFINITIONS AND SPECIAL RULES.

For purposes of this Act—

(1) PARTICIPATING PENSION PLAN.—The term "participating pension plan" means any city plan or State plan.

(2) CITY PLAN.—The term "city plan" means any of the following:

(A) the New York City employees' retirement system,

(B) the teachers' retirement system for the city of New York,

(C) the New York City Police Pension Fund, article 2,

(D) the New York City Fire Department Pension Fund, article 1-B, and

(E) the board of education retirement system for the city of New York.

(3) STATE PLAN.—The term "State plan" means any of the following:

(A) the New York State employees' retirement system,

(B) the New York State policemen's and firemen's retirement system, and

(C) the New York State teachers' retirement system.

(4) APPROPRIATE COMMITTEES OF THE CONGRESS.—The term "appropriate committees of the Congress" means the Committee on Ways and Means of the House of Representatives and the Finance Committee of the Senate.

(5) REFERENCES TO PLAN INCLUDE REFERENCES TO TRUST.—A reference to a plan includes a reference to any trust forming a part thereof.

(6) CITY INDEBTEDNESS.—The term "city indebtedness" means any city obligation or any State financing agency obligation.

(7) CITY OBLIGATION.—The term "city obligation" means any indebtedness for money borrowed by the city.

(8) STATE FINANCING AGENCY OBLIGATION.—The term "State financing agency obligation" means any indebtedness for money borrowed by the State financing agency.

(9) STATE FINANCING AGENCY.—The term "State financing agency" means any agency or instrumentality of the State of New York duly authorized by such State to act on behalf of or in the interest of the city, and no other subdivision of the State, with respect to the city's financial affairs.

(10) CITY.—The term "city" means the city of New York.

(11) FISCAL YEAR.—The term "fiscal year" means a 1-year period beginning on July 1 or, where the Secretary determines it to be appropriate, the plan year of a participating pension plan.

(12) SECRETARY.—The term "Secretary" means the Secretary of the Treasury. Except as provided in section 3, no function, power, or duty of the Secretary under section 1, section 2, or this section may be delegated.

(13) ACQUISITION.—The term "acquisition" includes—

(A) a purchase or an exchange (whether pursuant to a rollover or otherwise), and

(B) to the extent provided in regulations prescribed by the Secretary, any modification in the terms of an obligation or in the rights of the holder of an obligation.

SEC. 5. RELATIONSHIP OF THIS ACT TO PUBLIC LAW 94-236.

Effective on the date of the enactment of this Act, the waiver of the requirements of sections 401(a) and 503(b) of the Internal Revenue Code of 1954 contained in subsection (a) of the first section of Public Law 94-236 shall not apply to acquisitions of city indebtedness on or after such date.

Effective date.
26 USC 401.
26 USC 503.
90 Stat. 238.

Approved October 21, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1605 (Comm. on Ways and Means).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 3, considered and passed House.
Oct. 7, considered and passed Senate.

Public Law 95-498
95th Congress

An Act

Oct. 21, 1978
[S. 2588]

To declare that the United States holds in trust for the Pueblo of Santa Ana certain public domain lands.

Indians.
Pueblo of Santa Ana, N. Mex.
Lands in trust.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all right, title, and interest of the United States in the following lands situated within Sandoval County in the State of New Mexico are hereby declared to be held by the United States in trust for the benefit and use of the Pueblo of Santa Ana:

NEW MEXICO PRINCIPAL MERIDIAN

Township 13 North, Range 3 East

Section 1:
Lots 1, 8, 9, 10,
South half north half,
South half,
Section 3:
Lots 9, 10, 11, 12,
South half north half,
South half,
Section 4:
Lots 9, 10, 11, 12,
South half north half,
South half,
Section 5: All of that portion lying east of the west boundary of the right-of-way of New Mexico Highway 44,
Section 9:
East half west half,
East half,
Section 10: All,
Section 11: All,
Section 12: All,
Section 13: All,
Section 14: All,
Section 15: North half northwest quarter, southeast quarter northwest quarter, northeast quarter southwest quarter northwest quarter, north half northwest quarter southwest quarter northwest quarter, southeast quarter northwest quarter southwest quarter northwest quarter, north half northwest quarter southeast quarter southwest quarter northwest quarter, northeast quarter southeast quarter southwest quarter northwest quarter, northeast quarter, north half northeast quarter northeast quarter southwest quarter, north half northeast quarter northeast quarter southwest quarter, north half southwest quarter northeast quarter northeast quarter southwest quarter, southeast quarter northeast quarter northeast quarter southwest quarter, northeast quarter southeast quarter, north half northwest quarter southeast quarter, southeast quarter northwest quarter southeast quarter, northeast quarter southwest quarter northwest quarter southeast quarter, north half northwest quarter southwest quarter northwest quarter southeast quarter, north half southeast quarter

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southwest quarter northwest quarter southeast quarter, northeast quarter northeast quarter southwest quarter southeast quarter, northeast quarter southeast quarter southeast quarter, north half northwest quarter southeast quarter southeast quarter, southeast quarter northwest quarter southeast quarter southeast quarter, north half southwest quarter northwest quarter southeast quarter southeast quarter, north half northeast quarter southwest quarter southeast quarter southeast quarter, north half southeast quarter southeast quarter southeast quarter, north half southeast quarter southeast quarter southeast quarter southeast quarter; excluding existing rights-of-way,

Section 23: Northeast quarter northwest quarter northwest quarter, northeast quarter northwest quarter northwest quarter northwest quarter, north half northwest quarter northwest quarter northwest quarter northwest quarter, north half northeast quarter southeast quarter northwest quarter northwest quarter, north half northeast quarter northwest quarter, southeast quarter northeast quarter northwest quarter, north half southwest quarter northeast quarter northwest quarter, southeast quarter southwest quarter northeast quarter northwest quarter, northeast quarter northeast quarter southeast quarter northwest quarter, north half northwest quarter northeast quarter southeast quarter northwest quarter, north half northeast quarter, north half southwest quarter northeast quarter, north half southeast quarter southwest quarter northeast quarter, southeast quarter southeast quarter southwest quarter northeast quarter, north half southwest quarter southeast quarter northeast quarter, north half northeast quarter southwest quarter northeast quarter, north half northeast quarter southwest quarter northeast quarter, northeast quarter northeast quarter southeast quarter, northeast quarter northwest quarter, northeast quarter southeast quarter, north half northwest quarter northwest quarter northeast quarter southeast quarter, north half southeast quarter northwest quarter northeast quarter southeast quarter, north half northeast quarter southeast quarter northeast quarter; excluding Rec. PP CL 10/10/62 and existing rights-of-way,

Section 24: North half, southeast quarter, northeast quarter southwest quarter, north half northwest quarter southwest quarter, southeast quarter northwest quarter southwest quarter, north half southwest quarter northwest quarter southwest quarter, southeast quarter southwest quarter northwest quarter southwest quarter, north half northeast quarter southwest quarter southwest quarter, north half southeast quarter northeast quarter southwest quarter southwest quarter, north half southeast quarter southwest quarter southwest quarter, southeast quarter southeast quarter southwest quarter, northeast quarter southwest quarter southeast quarter southwest quarter; excluding existing rights-of-way,

Section 25: North half northeast quarter northeast quarter northeast quarter northwest quarter, northeast quarter northeast quarter, northeast quarter northwest quarter northeast quarter, north half northwest quarter northeast quarter, northeast quarter northwest quarter northeast quarter, north half southwest quarter northwest quarter northeast quarter, north half northeast quarter southwest quarter northwest quarter northeast quarter, north half southeast quarter northwest quarter northeast quarter, southeast quarter southeast quarter northwest quarter northeast quarter,

Township 13 North, Range 4 East

Section 3:
Lots 4, 5, 6,
West half northeast quarter,
Northwest quarter,
Section 4: All; including bed of Jemez River,
Section 5:
Lots 1, 2, 3, 4, 5,
Northwest quarter northwest quarter,
South half northwest quarter,
South half,
and bed of Jemez River,
Section 6:
Lots 1, 2, 3, 4,
East half west half,
East half,
and bed of Jemez River,
Section 7: All,
Section 8:
Lots 3, 4, 5,
North half,
Southwest quarter,
Northwest quarter southeast quarter,
Section 9:
Lots 5, 6, 7, 8 and bed of Jemez River lying north of the North boundary of the Angostura Grant,
Section 17:
Lots 10, 11, 12, 13,
Northwest quarter,
Section 18:
Lots 2, 3,
East half northwest quarter,
Northeast quarter,

Township 14 North, Range 3 East

Section 6: Bed of the Jemez River,

Township 14 North, Range 4 East

Section 17: All,
Section 18: East half east half,
Section 19: East half east half,
Section 20: All,
Section 21: West half,
Section 27: Southwest quarter southwest quarter,
Section 28:
Northwest quarter,
South half,
Section 29: All,
Section 30: East half east half,
Section 31:
East half northeast quarter,
Southwest quarter northeast quarter,
Northwest quarter northwest quarter,
South half northwest quarter,

South half,
and bed of Jemez River,
Section 33: All,
Section 34:
South half northeast quarter,
Northwest quarter,
South half,
Section 35:
Lot 9,
West half southwest quarter,
containing 16,249.98 acres more or less.

(b)(1) The lands described in paragraph (2) of this subsection consisting of approximately 2240.14 acres shall continue to be subject to Public Land Order 873, entitled "An Order Withdrawing Public Lands for Use of the Department of the Army in Connection with the Jemez Canyon Dam and Reservoir Project", issued by the Secretary of the Interior on November 14, 1952, until such lands, or any portion thereof, are determined by the Secretary of the Army to be no longer needed for the purpose for which the lands were reserved under such order. The Secretary of the Army shall publish notice of any such determination in the Federal Register.

Publication in Federal Register.

(2) The lands described in subsection (a) of this section which are subject to Public Land Order 873 are the following lands:

NEW MEXICO PRINCIPAL MERIDIAN

Township 13 North, Range 3 East

Section 1:
Lots 1, 8, 9, 10,
South half northeast quarter,
Southeast quarter northwest quarter,
Northeast quarter southwest quarter,
Section 5:
Lots 1, 2, 3, 4,
Northwest quarter northwest quarter,
South half northwest quarter,
Southwest quarter,
West half southeast quarter,
Lot 5, that part lying north of the east-west quarter section line,
Section 6:
Lots 1, 2, 3,
Northeast quarter,
East half northwest quarter,
Northeast quarter southwest quarter,
North half southeast quarter,
Southeast quarter southeast quarter,
Section 8:
Lots 3, 4, 5,
West half northeast quarter,
Northwest quarter,
North half southwest quarter,
Northwest quarter southeast quarter,
Section 17:
Lots 10 and 11,
Lot 12, that part lying east of the north-south quarter section line,

Township 14 North, Range 4 East

Section 31:
Southwest quarter northeast quarter,
Northwest quarter northwest quarter,
South half northwest quarter,
South half.

Publication in Federal Register.

SEC. 2. The Secretary of the Interior shall publish in the Federal Register the boundaries and descriptions of the lands declared to be held in trust by this Act.

SEC. 3. All of the right, title, and interest of the United States in all minerals, including gas and oil, underlying the lands hereby declared to be held in trust for the Pueblo of Santa Ana, are hereby declared to be held by the United States in trust for the benefit and use of the Pueblo of Santa Ana.

SEC. 4. (a) Nothing in this Act shall deprive any person of any valid existing right of use, possession, contract right, interest, or title which that person may have in any of the trust lands within the purview of this Act, or of any existing right of access to public domain lands over and across such trust lands, as determined by the Secretary of the Interior. All existing mineral leases involving lands declared to be held in trust by this Act, including oil and gas leases, which may have been issued or approved pursuant to Federal law, prior to enactment of this Act, shall remain in force and effect in accordance with the provisions thereof. Notwithstanding any other provisions of law, all applications for mineral leases involving such lands, including oil and gas leases, pending on the date of enactment of this Act shall be rejected and the advance rental payments returned to the applicants.

(b) Those persons holding grazing permits from the United States Bureau of Land Management in the grazing unit known as the Bernalillo Community Allotment (Number 551), Sandoval County, New Mexico, as of the date of enactment of this Act are hereby granted the right to continue those grazing rights, subject to all otherwise applicable terms, conditions, rules, and regulations of the Bureau of Land Management governing such grazing rights, for a period of not to exceed ten years. Such grazing rights shall be administered by the Bureau of Land Management in accordance with applicable rules and regulations governing such rights on the Federal public domain, and may be canceled by the Bureau of Land Management in accordance with its regulations for failure to meet the terms and conditions of the existing permits, or failure to abide by applicable rules and regulations. Grazing fees shall be payable by the permittees to the Bureau of Land Management at prevailing rates, which fees shall be remitted by said Bureau to the Pueblo of Santa Ana within 30 days of receipt. Such grazing rights shall be nontransferable, except that they may be relinquished at any time to the Pueblo of Santa Ana. In the event of cancellation or relinquishment of said grazing rights as provided above, such rights shall not be renewed, nor shall any new permits be issued: *Provided, however*, That no grazing fees shall be payable by the said existing permittees for the first five years following enactment of this Act.

(c) Subject to subsections (a) and (b) of this section, any property held in trust under this Act for the Pueblo of Santa Ana shall be administered in accordance with the laws and regulations applicable to other property held in trust by the United States for the Indian tribe of such pueblo.

SEC. 5. (a) Any and all gross receipts derived from, or which relate to, the property declared to be held in trust by this Act which were

received by the United States subsequent to the acquisition by the United States of such property and prior to the date of the enactment of this Act (including State school lands referred to in section 7), from whatever source and for whatever purpose, shall, as of the date of enactment of this Act, be deposited to the credit of the Pueblo of Santa Ana and may be expended by such tribe for such beneficial programs as the tribal governing body may determine.

(b) All gross receipts (including, but not limited to, bonuses, rents, and royalties) hereafter derived by the United States from any contract, permit, or lease referred to in section 4(a) of this Act, shall be administered in accordance with the laws and regulations applicable to receipts from property held in trust by the United States for Indian tribes.

SEC. 6. All property declared to be held in trust for the benefit and use of the Pueblo of Santa Ana pursuant to this Act, and all the receipts therefrom referred to in section 5 of this Act, shall be exempt from Federal, State, and local taxation so long as such property is held in trust by the United States. Any distribution of such receipts to tribal members shall neither be considered as income or resources of such members for purposes of any such taxation nor as income or resources or otherwise utilized as the basis for denying or reducing the financial assistance or other benefits to which such member or his household would otherwise be entitled to under the Social Security Act or any other Federal or federally assisted program. 42 USC 1305.

SEC. 7. (a) For the purpose of improving the land tenure pattern and consolidating Santa Ana Pueblo lands, the Secretary of the Interior is authorized and directed to acquire, by purchase or exchange, under such regulations as he may prescribe, all State school lands in township 13 north, range 3 east, sections 2 and 16; township 14 north, range 3 east, section 36; and township 14 north, range 4 east, section 32, State of New Mexico, containing 2004.05 acres, more or less; and interests therein, including improvements, mineral rights, and water rights. In exercising his authority to acquire such lands by exchange, the Secretary is authorized to utilize unappropriated public lands in the State of New Mexico. The properties so exchanged shall be of approximately equal value, and the Secretary may accept cash from or pay cash to the State of New Mexico in such an exchange in order to equalize the values of the properties exchanged.

(b) The Secretary may execute any title documents necessary to effect the exchanges authorized by this section. Title documents.

(c) Title to all lands acquired under the provisions of this section shall be taken in the name of the United States in trust for Santa Ana Pueblo.

SEC. 8. (a) Notwithstanding any other provision of this Act, during the 3 years following enactment of this Act, the Secretary may, after giving the tribe 30 days written notice and after consulting with the tribe, enter on the lands described in the first section of this Act to identify, investigate, examine, and remove any paleontological resources from such lands: *Provided*, That no explorations, surveys, or excavations shall be authorized within a 200-yard radius of the following shrines or religious sites:

(1) Santiyaku 'Kə Kura (Santiago's Corral);
(2) Santiyaku Ka' mə (Santiago's Home);
(3) Santiyaku 'Kaisru (Santiago's Field);
(4) 'Tsitsi Sruwii (Water Snake Head);

(5) Tuyuuna (Snake Head Shrine-Canjilon Hill);
(6) Shayeka Kauwatsesruma (Hunter Shrine);
(7) 'Kuyau 'Kapesru (Old Lady Sits Shrine);
(8) Huchaniitse (White House Shrine);
(9) Dyadyu Tsinautani (Bobcat Point);
(10) 'Kasreri 'Kumiyeisruma (Clown Point);
(11) Chapiyu 'Ka 'kuyanisru (Chapiyu's Trail);
(12) Shawiti 'tsuyu (Parrot Point);
(13) Hano 'Kai (Sacred Clown Society Shrine);
(14) Yusrkuma (Corn Cob Shrine);

Such resources so removed are the property of the United States and shall be administered under laws applicable to federally owned resources. Paleontological resources on such lands that are not removed from the lands pursuant to this section shall be managed in a manner that will permit the greatest possible public benefit, use, and study of the resources, consistent with tribal law and practices.

(b) Any lands excavated pursuant to this section shall be reclaimed and restored to their original condition by the Secretary, as nearly as he determines may be practicable.

Approved October 21, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1219, accompanying H.R. 3924 (Comm. on Interior and Insular Affairs).
SENATE REPORT No. 95-1132 (Select Comm. on Indian Affairs).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 6, considered and passed Senate.
Oct. 3, 4, H.R. 3924 considered and passed House; passage vacated, and S. 2588, amended, passed in lieu.
Oct. 7, Senate concurred in House amendment.

Public Law 95-499
95th Congress

An Act

To declare that the United States holds in trust for the Pueblo of Zia certain public domain lands.

Oct. 21, 1978
[S. 2358]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all right, title, and interest of the United States in the following lands situated within Sandoval County in the State of New Mexico are hereby declared to be held by the United States in trust for the benefit and use of the Pueblo of Zia:

Indians.
Pueblo of Zia, N. Mex.
Lands in trust.

NEW MEXICO PRINCIPAL MERIDIAN

Township 14 North, Range 1 East

Section 3:
Lots 2, 3, 4,
Southwest quarter northeast quarter,
West half southeast quarter,
Southwest quarter,
Southeast quarter southeast quarter,
South half northwest quarter,

Township 15 North, Range 1 East

Section 10: Lot 4,
Section 11: South half south half,
Section 13:
Southeast quarter,
West half,
Section 14: All,
Section 15:
Lots 1, 2, 3, 4,
Southwest quarter,
West half southeast quarter,
Section 22: All,
Section 23:
West half northeast quarter,
Northeast quarter northeast quarter.
Southeast quarter,
West half,
Section 24: North half north half,
Section 26: North half northwest quarter,
Section 27: All,
Section 34:
Southwest quarter,
Northwest quarter,
Northeast quarter,
Containing 4,848.13 acres, more or less.

SEC. 2. The Secretary of the Interior shall publish in the Federal Register the boundaries and descriptions of the lands declared to be held in trust by this Act.

Publication in Federal Register.

SEC. 3. All of the right, title, and interest of the United States in all minerals, including gas and oil, underlying the lands hereby declared

to be held in trust for the Pueblo of Zia, are hereby declared to be held by the United States in trust for the benefit and use of the Pueblo of Zia.

SEC. 4. (a) Nothing in this Act shall deprive any person of any valid existing right of use, possession, contract right, interest, or title which that person may have in any of the trust lands within the purview of this Act, or of any existing right of access to public domain lands over and across such trust lands, as determined by the Secretary of the Interior. All existing mineral leases involving lands declared to be held in trust by this Act, including oil and gas leases, which may have been issued or approved pursuant to Federal law, prior to enactment of this Act, shall remain in force and effect in accordance with the provisions thereof. Notwithstanding any other provision of law, all applications for mineral leases involving such lands, including oil and gas leases, pending on the date of enactment of this Act shall be rejected and the advance rental payments returned to the applicants.

(b) Subject to the provisions of subsection (a) of this section, the property declared to be held in trust by this Act for the benefit and use of the Pueblo of Zia shall hereafter be administered in accordance with the laws and regulations applicable to other property held in trust by the United States for the Indian tribe of such pueblo.

SEC. 5. All gross receipts (including, but not limited to, bonuses, rents, and royalties) hereafter derived by the United States from any contract, permit, or lease which relates to the property declared to be in trust by this Act received subsequent to the enactment of this Act shall be administered in accordance with the laws and regulations applicable to receipts from property held in trust by the United States for Indian tribes.

SEC. 6. All property declared to be held in trust for the benefit and use of the Pueblo of Zia pursuant to this Act, and all the receipts therefrom referred to in section 5 of this Act, shall be exempt from Federal, State, and local taxation so long as such property is held in trust by the United States. Any distribution of such receipts to tribal members shall neither be considered as income or resources of such members for purposes of any such taxation nor as income or resources or otherwise utilized as the basis for denying or reducing the financial assistance or other benefits to which such member or his household would otherwise be entitled to under the Social Security Act or any other Federal or federally assisted program.

Title documents.

SEC. 7. (a) The Secretary may execute any title documents necessary to effect conveyances authorized by this Act.

(b) Title to all lands acquired under the provisions of this Act shall be taken in the name of the United States in trust for the Pueblo of Zia.

Roadway right-of-way.

SEC. 8. The transfer and conveyance of title shall be subject to the following roadway right-of-way to be for the use and benefit of adjacent private landowners, the Bureau of Land Management, its permittees, lessees, successors, and assigns:

(1) Access road through Zia Allotment: A road right-of-way 50 feet wide over that portion in southeast quarter section 13, north half section 24, southeast quarter section 23, north half section 26, and north half section 27, all in township 15 north, range 1 east, New Mexico principal meridian.

Beginning at intersection of State Road 44, thence southwesterly 1,600 feet to a point of curve, thence westerly 2,100 feet to a point of curve, thence southerly 1,100 feet to a point of curve, thence southwesterly 2,400 feet to a point of curve, thence southerly 2,640 feet of a point of curve, thence southerly 8,500 feet to a point of curve near the west section line of section 27, road being 3.5 miles long (approx.). Distances to a curve are scaled distances (approx.) from U.S.G.S. Quadrangle Sheet, Sky Village N.E. Quadrangle, and San Ysidro Quadrangle.

The description was compiled from U.S.G.S. Quadrangle maps dated November 1960, and this is only a paper survey.

(2) Gypsum Mine Access Road: A road right-of-way 50 feet wide, over that portion in southeast quarter of section 13, northeast quarter section 24, west half section 13, and northeast quarter section 14, all in township 15 north, range 1 east, New Mexico principal meridian.

Beginning at the intersection of Gypsum mine access road and access road through lands known as Zia Allotment being 500 feet southwesterly from State Road 44, thence northwesterly 6,500 feet near the east line of section 14. Distances to the termination of road are scaled distances (approx.) from U.S.G.S. Quadrangle Sheet, San Ysidro Quadrangle.

This description was compiled from U.S.G.S. Quadrangle map dated November 1960, and this is only a paper survey.

Paleontological resources, access, notice and consultation.

SEC. 9. (a) Notwithstanding any other provision of this Act, during the 3 years following enactment of this Act, the Secretary may, after giving the tribe 30 days written notice and after consulting with the tribe, enter on the lands described in the first section of this Act to identify, investigate, examine, and remove any paleontological resources from such lands: *Provided*, That no explorations, surveys, or excavations shall be authorized within a 200-yard radius of the following shrines or religious sites:

(1) Tiam (Eagle Peak, Eagle Rock, Eagle Point);
(2) Hu-nah-'kah-'kah-Warish (Cherry Spring);
(3) Pah-Pah (Grandma);
(4) Ku-Mah-Yah-Wish (Mudhead);
(5) Punaya;
(6) Grash-Yeh-Tey-Sham (White Points).

Such resources so removed are the property of the United States and shall be administered under laws applicable to federally owned resources. Paleontological resources on such lands that are not removed from the lands pursuant to this section shall be managed in a manner that will permit the greatest possible public benefits, use, and study of the resources, consistent with tribal law and practices.

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(b) Any lands excavated pursuant to this section shall be reclaimed and restored to their original condition by the Secretary, as nearly as he determines may be practicable.

Approved October 21, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1220, accompanying H.R. 10240 (Comm. on Interior and Insular Affairs).
SENATE REPORT No. 95-1131 (Select Comm. on Indian Affairs).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 6, considered and passed Senate.
Oct. 3, H.R. 10240 considered and passed House; passage vacated, and S. 2358, amended, passed in lieu.
Oct. 7, Senate concurred in House amendments.

Public Law 95-500
95th Congress

An Act

To make specific provisions for ball or roller bearing pillow block, flange, take-up, cartridge, and hanger units in the Tariff Schedules of the United States, and for other purposes.

Oct. 21, 1978
[H.R. 8755]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart J of part 4 of schedule 6 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended— Machine parts, duty suspension,

(1) by striking out "pulleys, pillow blocks, and shaft couplings;" in the superior heading to items 680.45 through 680.54 and inserting in lieu thereof "pulleys and shaft couplings; pillow blocks; flange, take-up cartridge, and hanger units;";

(2) by redesignating items 680.52 and 680.54 as items 680.55 and 680.56, respectively; and

(3) by striking out item 680.50 and inserting in lieu thereof the following new items:

"	680.50	Pulleys and shaft couplings, and parts thereof	9.5% ad val.	45% ad val.
		Pillow blocks and parts thereof:		
	680.51	Ball or roller bearing type	9.5% ad val.	45%ad val.
	680.52	Other types	9.5% ad val.	45% ad val.
		Flange, take-up, cartridge, and hanger units, and parts thereof:		
	680.53	Ball or roller bearing type	9.5% ad val.	45% ad val.
	680.54	Other types	9.5% ad val.	45% ad val. ".

(b) The amendments made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act. Effective date. 19 USC 1202 note.

SEC. 2. (a) Subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting in numerical sequence the following new item: 19 USC 1202 app.

"	912.06	Yankee Dryer Cylinders (provided for in item 668.06, part 4D, schedule 6)	Free	No change	On or before 12/31/81 ".

(b) The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act. Effective date. 19 USC 1202 app. note.

SEC. 3. (a) Subpart A of part 6 of Schedule 7 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately after item 740.10 the following new item: Jewelry, duty suspension.

"	740.20	Necklaces, valued not over 30 cents per dozen, composed wholly of plastic shapes mounted on fiber string	Free	Free ".

Effective date.
19 USC 1202 note.

(b) The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of enactment of this Act.

Approved October 21, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1356 (Comm. on Ways and Means).
SENATE REPORT No. 95-1241 (Comm. on Finance).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 18, considered and passed House.
Sept. 30, considered and passed Senate, amended.
Oct. 10, House concurred in Senate amendments.

Public Law 95-501
95th Congress

An Act

To strengthen the economy of the United States through increased sales abroad of United States agricultural commodities.

Oct. 21, 1978
[S. 3447]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Trade Act of 1978".

Agricultural Trade Act of 1978.
7 USC 1761 note.

TITLE I—INTERMEDIATE CREDIT

SEC. 101. Section 4 of the Food for Peace Act of 1966 is amended to read as follows:

7 USC 1707a.

"SEC. 4. (a) Commercial export sales of agricultural commodities out of private stocks on credit terms of not to exceed three years may be financed by the Commodity Credit Corporation under its export credit sales program.

Export sales.

"(b)(1) Export sales of agricultural commodities out of Commodity Credit Corporation and private stocks on credit terms in excess of three years, but not more than ten years, may be financed by the Commodity Credit Corporation.

"(2) No export sale may be financed under this subsection unless the Secretary of Agriculture determines that the sale will—

"(A) develop, expand, or maintain the importing nation as a foreign market, on a long-term basis, for the commercial sale and export of United States agricultural commodities without displacing normal commercial sales; or

"(B) otherwise improve the capability of the importing nation to purchase and use, on a long-term basis, United States agricultural commodities.

"(3) Consistent with the provisions of paragraph (2) of this subsection, intermediate credit financing under this subsection may be made available for the following uses:

"(A) to establish reserve stocks consistent with international commodity agreements or other stock building plans acceptable to the United States;

"(B) the export sale of breeding animals (including, but not limited to, cattle, swine, sheep, and poultry), including the cost of freight from the United States to designated points of entry in other nations;

"(C) where determined feasible, for the establishment of facilities in the importing nation to improve handling, marketing, processing, storage, or distribution of imported agricultural commodities (through the use of local currency generated from the import and sale of United States agricultural commodities to finance all or part of such facilities); and

"(D) to meet credit competition for agricultural export sales.

"(4) Intermediate credit financing under this subsection may not be used to encourage credit competition, or for the purpose of foreign aid or debt rescheduling.

Terms of credit.

"(5) The terms of credit for export sales financed under this subsection shall include the following terms:

"(A) Repayment shall be in dollars with interest at a rate equal, as nearly as practicable, to the rate charged by the Commodity Credit Corporation for financing under the Corporation's short-term export credit sales program.

"(B) The Secretary may, if the Secretary deems such action appropriate to protect the interests of the United States, require an initial payment from the purchaser at the time of sale or shipment of the agricultural commodity.

"(6) The Secretary shall, wherever feasible, obtain commitments from purchasers that will prevent resale or transshipment to other nations of agricultural commodities purchased with financing provided under this subsection.

Review.

"(7)(A) Agreements to finance export sales of agricultural commodities entered into under this subsection, except agreements to finance export sales for the establishment of reserve stocks, shall be subject to such other terms and conditions as the Secretary may deem necessary or appropriate and shall be subject only to review by the National Advisory Council on International Monetary and Financial Policies.

Presidential determination. Transmittal to congressional committees.

"(B) Agreements to finance export sales of agricultural commodities under this subsection for the establishment of reserve stocks shall be subject to such other terms and conditions as the Secretary may deem necessary and appropriate. No such agreement may become effective or be carried out until the expiration of thirty days following the date on which a detailed summary of such proposed agreement, together with a determination by the President that such financing is not adverse to the interests of United States producers of agricultural commodities, is transmitted by the Secretary to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives, if transmitted while Congress is in session, or sixty days following the date of transmittal if transmitted while Congress is not in session.

"(8) The provisions of the cargo preference laws shall not apply to export sales financed under this subsection.

"(9) The authority provided under this subsection shall be in addition to, and not in place of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provision of law.

"Agricultural commodity."

"(c) The term 'agricultural commodity' as used in this section includes any agricultural commodity or product thereof.".

TITLE II—COMMODITY CREDIT CORPORATION FINANCING OF DEFERRED PAYMENT SALES; CREDIT SALES TO THE PEOPLE'S REPUBLIC OF CHINA

COMMODITY CREDIT CORPORATION FINANCING OF DEFERRED PAYMENT SALES

7 USC 1707b.

SEC. 201. (a) To develop new market opportunities for the sale of United States agricultural commodities and to maintain and expand existing foreign markets for such commodities, the Secretary of Agriculture may provide Commodity Credit Corporation financing to exporters of such commodities who wish to provide deferred payment terms to buyers in other nations in order to meet sales competition from other nations or to make additional export sales. Except as otherwise provided in section 202 of this title, financing under this section shall be available only with respect to sales to those nations that are

eligible for financing under the short-term export credit sales program conducted by the Commodity Credit Corporation.

(b) Exporters who are willing to sell United States agricultural commodities to foreign buyers on deferred payment terms of not to exceed three years and who must provide such deferred payment terms in order to meet sales competition from other nations, or to make additional export sales, may apply to the Commodity Credit Corporation for financing such sales. Financing under this section shall not be provided by the Corporation until the applicant's export sales plan has been approved by the Corporation and the applicant has established to the satisfaction of the Corporation that exports have been made in accordance with the approved plan.

(c) Repayment to the Commodity Credit Corporation shall be made in dollars by the exporter in accordance with the terms and at interest rates contained in the approved export sales plan. Interest rates on such financing shall be no higher than those charged for financing under the short-term export credit sales program conducted by the Corporation. Repayment in dollars.

(d) The Secretary may, if the Secretary deems such action appropriate to protect the interests of the United States, require a performance guarantee from the exporter at the time of the sale. Performance guarantee.

(e) Financing agreements with exporters entered into under this section shall be subject to such other terms and conditions as the Secretary may deem necessary or appropriate and shall be subject only to review by the National Advisory Council on International Monetary and Financial Policies. Review.

(f) The authority provided under this section shall be in addition to, and not in place of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provision of law.

CREDIT SALES TO THE PEOPLE'S REPUBLIC OF CHINA

SEC. 202. Notwithstanding any other provision of law, in order to expand and develop markets for United States agricultural commodities, the Commodity Credit Corporation may provide financing for commercial sales of agricultural commodities out of private stocks on terms of not to exceed three years to the People's Republic of China under (1) the short-term export credit sales program conducted by the Corporation, and (2) the deferred payment sales program for exporters established under section 201 of this title. 7 USC 1707c.

DEFINITION

SEC. 203. The term "agricultural commodity" as used in this title includes any agricultural commodity or product thereof. 7 USC 1707d.

TITLE III—AGRICULTURAL COUNSELORS

SEC. 301. Title VI of the Act of August 28, 1954 (68 Stat. 908-910, as amended; 7 U.S.C. 1761-1768), is amended by—

(1) amending the title designation to read as follows:

"TITLE VI—FOREIGN MARKET DEVELOPMENT";

(2) inserting immediately before section 601 the subtitle designation as follows:

"Subtitle A—General Provisions; Agricultural Counselors and Agricultural Attachés";

7 USC 1761.

(3) in section 601, striking out "agricultural products" wherever that phrase appears therein and inserting in lieu thereof "agricultural commodities", and striking out "said products" and inserting in lieu thereof "such commodities";

7 USC 1762, 1764, 1765.

(4) in sections 602(a), 602(e), 604, and 605, striking out "this title" wherever that phrase appears therein and inserting in lieu thereof "this subtitle";

7 USC 1762.

(5) amending section 602(b) to read as follows:

"(b) Officers or employees assigned or appointed to posts abroad under this subtitle shall have the designation of Agricultural Counselor, Agricultural Attaché, or such other titles or designations that shall be agreed to by the Secretary of State and the Secretary of Agriculture, and shall be accorded the same rank and privileges as those of other counselors or attachés in United States embassies. An Agricultural Counselor shall be appointed in any nation—

Agricultural Counselor.

"(1) to which a substantial number of governments with which the United States competes directly for agricultural markets in such nation assign agricultural representatives with the diplomatic status of counselor or its equivalent; or

"(2) in which—

"(A) the potential is great for long-term expansion of a market for United States agricultural commodities, and

"(B) competition with other nations for existing and potential agricultural markets is extremely intense.

Not less than ten Agricultural Counselors shall be appointed within three years after the date of enactment of the Agricultural Trade Act of 1978."; and

Ante, p. 1685.

7 USC 1764.

(6) adding at the end of section 604 a new subsection (c) as follows:

Availability of Federal agency services, personnel, and facilities.

"(c) Upon the request of the Secretary of Agriculture, each Federal agency may make its services, personnel, and facilities available to officers and employees appointed and assigned to a post abroad under this subtitle in the performance of the functions of such officers and employees. The Secretary of Agriculture may reimburse or advance funds to any such agency for services, personnel, and facilities so made available.".

TITLE IV—ESTABLISHMENT OF UNITED STATES AGRICULTURAL TRADE OFFICES

SEC. 401. Title VI of the Act of August 28, 1954, as amended by title III of this Act, is further amended by—

(1) adding immediately after section 605 a new subtitle B as follows:

"Subtitle B—United States Agricultural Trade Offices

Agricultural Trade Offices, establishment.
7 USC 1765a.

"SEC. 605A. (a) For the purpose of developing, maintaining, and expanding international markets for United States agricultural commodities, the Secretary of Agriculture, after consultation with the Secretary of State, shall establish not less than six nor more than twenty-five United States Agricultural Trade Offices in other nations.

"(b) each United States Agricultural Trade Office shall be directed and administered by an Agricultural Trade Officer who by reason of training, experience, and attainments is qualified to carry out the pur-

poses of this subtitle. Such Officer shall be appointed by the Secretary of Agriculture. Appointment.

"(c) Each Agricultural Trade Officer may be appointed without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5 relating to classification and General Schedule pay rates, except that no Agricultural Trade Officer (1) may be paid basic pay at a rate in excess of the maximum annual rate of basic pay payable for GS-17 of the General Schedule under section 5332 of such title, or (2) may be paid at a rate in excess of the highest rate paid to an Agricultural Counselor or Attaché, as the case may be, who is appointed under subtitle A of this title to the nation in which such Officer is to serve. 5 USC 5101 *et seq.* 5332 note. *Ante*, p. 1688.

"(d) Each Agricultural Trade Officer shall, through the Agricultural Counselor or Attaché or other senior representative of the Secretary of Agriculture in each nation in which the United States Agricultural Trade Office administered by such Officer exercises its functions, keep the Chief of the United States diplomatic mission fully and currently informed with respect to all activities and operations of such Office. Transmittal of information.

"(e) Each Agricultural Trade Officer shall be responsible for the exercise of the functions of the United States Agricultural Trade Office, and shall have the authority to direct and supervise all personnel and activities thereof.

"(f) To carry out the functions of United States Agricultural Trade Offices, the Secretary of Agriculture may appoint such other personnel as the Secretary determines to be necessary and may, with the concurrence of the Secretary of State, assign such personnel abroad and employ local nationals for necessary professional and clerical help.

"(g) No employee of any United States Agricultural Trade Office may engage in any business, vocation, or other employment, or have other interests, that are inconsistent with official responsibilities.

"(h) Upon the request of the Secretary of Agriculture, the Secretary of State shall request for Agricultural Trade Officers and personnel of United States Agricultural Trade Offices diplomatic privileges and immunities equivalent to those enjoyed by Foreign Service personnel of comparable rank and salary. Diplomatic privileges and immunities.

"SEC. 605B. The functions of each United States Agricultural Trade Office shall be to— Functions. 7 USC 1765b.

"(1) increase the effectiveness of agricultural export promotion efforts through consolidation of activities, providing services and facilities for foreign buyers and United States trade representatives, and coordination of market development activities sponsored by the Department of Agriculture;

"(2) establish goals by nation or region and agricultural commodity for developing, expanding, and maintaining markets for United States agricultural commodities;

"(3) initiate programs to achieve the export marketing goals approved by the Department of Agriculture;

"(4) maintain facilities for use by nonresident cooperators, private trade groups, and other individuals engaged in the import and export of United States agricultural commodities where the use of such facilities would aid in the conduct of market development activities, and cooperate, to the maximum extent practicable, with such cooperators, groups, and individuals to expand the level of United States agricultural exports;

"(5) develop and maintain a current listing of trade, government, and other appropriate organizations for each agricultural commodity area and make such listing available to persons with a bona fide interest in exporting or importing United States agricultural commodities;

"(6) originate and provide assistance for exhibits, sales teams, and other functions for the promotion of United States agricultural commodities;

"(7) provide practical assistance for the use of the programs under the Agricultural Trade Development and Assistance Act of 1954, the export credit sales program, the export incentives program, and related programs of the United States Government where use of such programs will serve as a market development tool for United States agriculture; 7 USC 1691 note.

"(8) supervise project agreements with United States cooperators, coordinate the activities of the United States Agricultural Trade Office with those of the cooperators, and submit annual recommendations to the Secretary of Agriculture on the efficacy of cooperator programs;

"(9) publicize the services offered by the United States Agricultural Trade Office through advertisements in trade journals or by other appropriate means; and Publication.

"(10) perform such other functions as the Secretary of Agriculture, in consultation with the Secretary of State, determines to be necessary and proper for achieving the purposes of this subtitle.

"SEC. 605C. Each United States Agricultural Trade Office shall carry out its functions under section 605B in the nation where the United States Agricultural Trade Office is located and in such other nations as the Secretary of Agriculture, in consultation with the Secretary of State, may prescribe in order to carry out the purposes of this subtitle. Consultation. 7 USC 1765c.

"SEC. 605D. Upon the request of the Secretary of Agriculture, the Secretary of State may use the authorities contained in the Foreign Service Buildings Act, 1926, to acquire sites and buildings, including living quarters, for the purpose of establishing United States Agricultural Trade Offices. 7 USC 1765d. 22 USC 292.

"SEC. 605E. United States Agricultural Trade Offices shall be centrally located in the cities of assignment to facilitate foreign trade meetings and foreign trade reliance on such offices for assistance in marketing activities. 7 USC 1765e.

"SEC. 605F. Upon the request of the Secretary of Agriculture, each Federal agency may make its services, personnel, and facilities available to a United States Agricultural Trade Office in the performance of its functions. The Secretary of Agriculture may reimburse or advance funds to any such agency for services, personnel, and facilities so made available. 7 USC 1765f.

"SEC. 605G. The provisions of section 604(a) of this title shall apply with respect to personnel appointed and assigned under this subtitle."; 7 USC 1765g. 7 USC 1764. 7 USC 1766. *Supra.*

(2) redesignating section 606 as section 606A and inserting immediately after new section 605G, as added by this section, the subtitle designation and new section 606 as follows:

"Subtitle C—Representation Allowances, Regulations, General Provisions, and Authorization for Appropriations

"SEC. 606. Any Agricultural Trade Officer and the senior representative of the Secretary of Agriculture assigned to a nation under subtitle A of this title may, under regulations prescribed by the Secretary 7 USC 1765h.

of Agriculture, be entitled to receive a representation allowance in an amount determined by considering (1) the extent to which such Agricultural Trade Officer or senior representative can effectively use such funds to further the purposes of this title, (2) travel and entertainment expenses customary in the private trade for persons of comparable rank and salary, and (3) customs and practices in the nation where such Agricultural Trade Officer or senior representative is assigned.";

(3) redesignating sections 602(d), 602(f), and 603 as sections 606B, 606C, and 606D, respectively, and inserting the redesignated sections immediately after section 606A, as redesignated by paragraph (2) of this section; 7 USC 1762, 1763, 1766a, 1766b, 1766c.

(4) in section 606C, as redesignated by paragraph (3) of this section, striking out "subsection" wherever that word appears therein and inserting in lieu thereof "section"; *Supra.*

(5) redesignating section 602(e) as 602(d); and

(6) adding at the end thereof a new section 609 as follows: 7 USC 1762.

"SEC. 609. The term 'agricultural commodity' as used in this title includes any agricultural commodity or product thereof.". "Agricultural commodity." 7 USC 1769.

TITLE V—REORGANIZATION

SEC. 501. (a) There is hereby established in the Department of Agriculture the position of Under Secretary of Agriculture for International Affairs and Commodity Programs to be appointed by the President, by and with the advice and consent of the Senate. The Under Secretary of Agriculture for International Affairs and Commodity Programs is authorized to exercise such functions and perform such duties related to foreign agriculture and agricultural stabilization and conservation, and shall perform such other duties, as may be required by law or prescribed by the Secretary of Agriculture. 7 USC 2211a.

(b) Section 5314 of title 5 of the United States Code is amended by adding at the end thereof a new paragraph (69) as follows:

"(69) Under Secretary of Agriculture for International Affairs and Commodity Programs.".

(c) The designation of "Assistant Secretary of Agriculture for International Affairs and Commodity Programs" shall not be used after the date of enactment of this Act. 7 USC 2211a note.

TITLE VI—GENERAL PROVISIONS AND REPORTS

IMPLEMENTATION OF THIS ACT; REGULATIONS

SEC. 601. (a) The Secretary of Agriculture shall implement the provisions of this Act as expeditiously as possible consistent with the efficient and effective administration of the programs established under this Act and their integration with related foreign agricultural programs. 7 USC 1761 note.

(b) The Secretary may issue such regulations as may be necessary to carry out the provisions of this Act.

ANNUAL REPORT ON EXPORT PROMOTION

SEC. 602. The Secretary of Agriculture shall submit to Congress each year a report providing a comprehensive statement of the activities and accomplishments of the Department of Agriculture, including specifically those of the United States Agricultural Trade Offices, in developing, maintaining, and expanding foreign markets for United States agricultural commodities. Submittal to Congress. 7 USC 1765b-1.

INTERAGENCY TASK FORCE ON EXPORT SALES REPORTING

7 USC 612c-3 note.

7 USC 612c-3. Legislative recommedations to congressional committees.

SEC. 603. The Secretary of Agriculture shall appoint an interagency task force within the Department of Agriculture for the purpose of analyzing the effectiveness of the export sales reporting provisions of section 812 of the Agricultural Act of 1970. The Secretary shall submit, not later than January 3, 1979, a report of the findings of the task force, including legislative recommendations for improving such reporting provisions, to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives.

REPORT ON TITLE IV OF THE TRADE ACT OF 1974

Submittal to Congress. 19 USC 2431 note. 19 USC 2431.

SEC. 604. Within six months after the date of enactment of this Act, the Secretary of Agriculture shall submit to Congress a report detailing the effect on United States agriculture of title IV of the Trade Act of 1974, including a recommendation as to whether the provisions of such title should be repealed or amended.

Approved October 21, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-1338, Pt. I (Comm. on Agriculture) and No. 95-1338, Pt. II (Comm. on International Relations) both parts accompanying H.R. 10584; and No. 95-1755 (Comm. of Conference).

SENATE REPORTS: No. 95-1142 (Comm. on Agriculture, Nutrition, and Forestry) and No. 95-1315 (Comm. of Conference).

CONGRESSIONAL RECORD, Vol. 124 (1978):

Sept. 8, considered and passed Senate.

Sept. 25, H.R. 10584 considered and passed House; passage vacated and S. 3447, amended, passed in lieu.

Oct. 11, Senate agreed to conference report.

Oct. 15, House agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, VOL. 14, No. 43:

Oct. 21, Presidential statement.

Public Law 95-502
95th Congress

An Act

To amend the Internal Revenue Code of 1954 to provide that income from the conducting of certain bingo games by certain tax-exempt organizations will not be subject to tax, and for other purposes.

Oct. 21, 1978
[H.R. 8533]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Internal Revenue Code of 1954, amendment.

TITLE I—REPLACEMENT OF LOCKS AND DAM 26; UPPER MISSISSIPPI RIVER SYSTEM COMPREHENSIVE MASTER MANAGEMENT PLAN

SEC. 101. (a) The Upper Mississippi River Basin Commission (referred to in this section as the "Commission") shall prepare a comprehensive master plan for the management of the Upper Mississippi River System in cooperation with the appropriate Federal, State, and local officials. The Commission shall publish a preliminary plan not later than January 1, 1981. The Commission shall hold public hearings on the preliminary plan in each State which would be affected by the plan, shall review all comments presented at such hearings or submitted in writing to the Commission, and, after making any revisions in the plan it decides are necessary, submit to Congress a final master plan not later than January 1, 1982. All decisions of the Commission related to the master plan shall be made by a two-thirds majority vote of the Commission.

42 USC 1962b-3 note.

Preliminary plan.
Final plan, submittal to Congress.

(b) The Commission shall provide for public participation in the development, revision, and implementation of said plan and shall encourage and assist such participation. The Commission shall, within 150 days after the date of enactment of this Act, publish guidelines in the Federal Register for public participation in the development, revision, and implementation of the plan. The final master plan shall not be implemented without the express approval of the plan by an Act of Congress enacted after the date of enactment of this Act. After such approval, no change may be made in the master plan except as may be provided by an Act of Congress enacted after the date of enactment of the Act approving the master plan. No person shall engage in any activity which violates any provision of the plan or which is inconsistent (as determined under regulations promulgated by the Commission) with the plan.

Publication in Federal Register.

(c) The Commission, in developing the plan, shall identify the various economic, recreational, and environmental objectives of the Upper Mississippi River System, recommend guidelines to achieve such objectives, and propose methods to assure compliance with such guidelines and coordination of future management decisions affecting the Upper Mississippi River System, and include with the proposed master plan any legislative proposals which may be necessary to carry out such recommendations and achieve such objectives.

(d) For the purposes of developing the plan, the Commission shall conduct such studies as it deems necessary to carry out its responsibilities under this section, utilizing, to the fullest extent possible,

the resources and results of the Upper Mississippi River resources management (GREAT) study conducted pursuant to section 117 of the Water Resources Development Act of 1976 (Public Law 94-587) and of other ongoing or past studies. The Commission may request appropriate Federal, State, or local agencies to prepare such studies. Any Federal agency to which such a request is submitted may conduct any such study for the purpose of this section.

90 Stat. 2924.

Studies.

(e) Studies conducted pursuant to this section shall include, but not be limited to, the following:

(1) The Secretary of the Interior and the Secretary of the Army, working through the Commission, shall undertake a study to determine the carrying capacity of the Upper Mississippi River System, and the long- and short-term systematic ecological impacts of (A) present and any projected expansion of navigation capacity on the fish and wildlife, water quality, wilderness, and public recreational opportunities of said rivers, (B) present operation and maintenance programs, (C) the means and measures that should be adopted to prevent or minimize loss of or damage to fish and wildlife, and (D) a specific analysis of the immediate and systematic environmental effects of any second lock at Alton, Illinois, and provide for the mitigation of any adverse impact on, and the enhancement of, such resources.

(2) The Commission shall undertake studies to determine—

(A) the relationship of any expansion of navigational capacity on the Upper Mississippi River System to national transportation policy,

(B) the direct and indirect effects of any expansion of navigational capacity on the Nation's railroads and on shippers dependent upon rail service, and

(C) transportation costs and benefits to the Nation to be derived from any expansion of navigational capacity on said River System.

The Commission is directed to immediately initiate a specific evaluation of the economic need for a second lock at Alton, Illinois, and the direct and indirect systematic effects and needs for such a second lock at Alton, Illinois.

(3) The Commission shall undertake a program of studies, including a demonstration program to evaluate the benefits and costs of disposing of dredge spoil material in contained areas located out of the floodplain. The program shall include, but shall not be limited to, the evaluation of possible uses in the marketplace for the dredge spoil studies and demonstration programs to minimize the environmental effects of channel operation and maintenance activities.

(4) The development by the Commission of a computerized analytical inventory and system analysis for the Upper Mississippi River System to facilitate evaluation of the comparative environmental effects of alternative management proposals.

(f) Any Secretary responsible for conducting a study under subsection (e) of this section, and other studies conducted under this section, shall produce one or more draft reports containing study conclusions and appropriate appendix materials and shall present the reports to the Commission for approval and inclusion in the master plan process.

(g) To carry out the provisions of this section, there are authorized to be appropriated to the Commission, through the United States Water Resources Council, $12,000,000. The Commission is authorized to transfer funds to such Federal, State, or local government agencies as it deems necessary to carry out the studies and analysis authorized by this section. Appropriation authorization.

(h) For purposes of this section, the Upper Mississippi River System consists of those river reaches containing commercial navigation channels on the Mississippi River main stem north of Cairo, Illinois, the Minnesota River, Minnesota; Black River, Wisconsin; Saint Croix River, Minnesota and Wisconsin; Illinois River and Waterway, Illinois; and Kaskaskia River, Illinois.

(i) No replacement, construction, or rehabilitation that expands the navigation capacity of locks, dams, and channels shall be undertaken by the Secretary of the Army to increase the navigation capacity of the Upper Mississippi River System, until the master plan prepared pursuant to this section has been approved by the Congress except as provided in section 102 and except for necessary operating and maintenance activities.

(j) The lock and dam authorized pursuant to section 102 shall be designed and constructed to provide for possible future expansion. All other construction activities initiated by the Secretary of the Army on the Upper Mississippi River north of Cairo, Illinois, and on the Illinois River north of Grafton, Illinois, shall be initiated only in accordance with the guidelines set forth in the master plan.

SEC. 102. (a) The Secretary of the Army, acting through the Chief of Engineers, is authorized to replace locks and dam 26, Mississippi River, Alton, Illinois, and Missouri, by constructing a new dam and a single, one-hundred-and-ten-foot by one-thousand-two-hundred-foot lock at a location approximately two miles downstream from the existing dam, substantially in accordance with the recommendations of the Chief of Engineers in his report on such project dated July 31, 1976, at an estimated cost of $421,000,000.

(b) The Secretary of the Army, acting through the Chief of Engineers, is authorized to replace, at Federal expense as a part of project costs authorized in subsection (a) terrestrial wildlife habitat inundated as a result of the construction of the project on an acre-for-acre basis in the respective States of Missouri and Illinois and to manage such lands as are thus acquired by the Secretary for wildlife protection purposes. The Secretary is further authorized to provide project-related recreation development on or in the vicinity of Ellis Island, Missouri, that requires no separable project lands and includes facilities such as roads, parking lots, walks, picnic areas, a boat launching ramp, and a beach, at an estimated cost of $4,000,000 to be cost shared with the State of Missouri and administered in accordance with the provisions of the Federal Water Project Recreation Act and undertaken independently of the navigation feature of the project. 16 USC 460*l*-12 note.

(c) The project depth of the channel above Cairo, Illinois, on the Mississippi River shall not exceed 9 feet, and neither the Secretary of the Army nor any other Federal official shall study the feasibility of deepening the navigation channels in the Minnesota River, Minnesota; Black River, Wisconsin; Saint Croix River, Minnesota and Wisconsin; the Mississippi River north of Cairo, Illinois; the Kaskaskia River, Illinois; and the Illinois River and Waterway, Illinois, unless specifically authorized by an Act of Congress enacted after the date of enactment of this Act.

Inland Waterways Revenue Act of 1978.

TITLE II—INLAND WATERWAYS REVENUE ACT OF 1978

Sec. 201. Short title.
Sec. 202. Imposition of tax.
Sec. 203. Establishment of Inland Waterways Trust Fund.
Sec. 204. Trust Fund available for expenditures for navigation construction and rehabilitation projects on inland waterways.
Sec. 205. Study with respect to inland waterway user taxes and charges.
Sec. 206. Inland and intracoastal waterways of the United States.

26 USC 4042 note.

SEC. 201. SHORT TITLE.

This title may be cited as the "Inland Waterways Revenue Act of 1978".

SEC. 202. IMPOSITION OF TAX.

(a) IN GENERAL.—Chapter 31 of the Internal Revenue Code of 1954 (relating to special fuels) is amended by adding at the end thereof the following new section:

26 USC 4041.

26 USC 4042.

"SEC. 4042. TAX ON FUEL USED IN COMMERCIAL TRANSPORTATION ON INLAND WATERWAYS.

"(a) IN GENERAL.—There is hereby imposed a tax on any liquid used during any calendar quarter by any person as a fuel in a vessel in commercial waterway transportation.

"(b) AMOUNT OF TAX.—The tax imposed by subsection (a) shall be determined from the following table:

"If the use occurs—	The tax is—
"After September 30, 1980 and before October 1, 1981	4 cents a gallon
"After September 30, 1981 and before October 1, 1983	6 cents a gallon
"After September 30, 1983 and before October 1, 1985	8 cents a gallon
"After September 30, 1985	10 cents a gallon

"(c) EXEMPTIONS.—

"(1) DEEP-DRAFT OCEAN-GOING VESSELS.—The tax imposed by subsection (a) shall not apply with respect to any vessel designed primarily for use on the high seas which has a draft of more than 12 feet.

"(2) PASSENGER VESSELS.—The tax imposed by subsection (a) shall not apply with respect to any vessel used primarily for the transportation of persons.

"(3) USE BY STATE OR LOCAL GOVERNMENT IN TRANSPORTING PROPERTY IN A STATE OR LOCAL BUSINESS.—Subparagraph (B) of subsection (d)(1) shall not apply with respect to use by a State or political subdivision thereof.

"(4) USE IN MOVING LASH AND SEABEE OCEAN-GOING BARGES.—The tax imposed by subsection (a) shall not apply with respect to use for movement by tug of exclusively LASH (Lighter-aboard-ship) and SEABEE ocean-going barges released by their ocean-going carriers solely to pick up or deliver international cargoes.

"(d) DEFINITIONS.—For purposes of this section—

"(1) COMMERCIAL WATERWAY TRANSPORTATION.—The term 'commercial waterway transportation' means any use of a vessel on any inland or intracoastal waterway of the United States—

"(A) in the business of transporting property for compensation or hire, or

"(B) in transporting property in the business of the owner, lessee, or operator of the vessel (other than fish or other aquatic animal life caught on the voyage).

"(2) INLAND OR INTRACOASTAL WATERWAY OF THE UNITED STATES.—The term 'inland or intracoastal waterway of the United

States' means any inland or intracoastal waterway of the United States which is described in section 206 of the Inland Waterways Revenue Act of 1978.

"(3) PERSON.—The term 'person' includes the United States, a State, a political subdivision of a State, or any agency or instrumentality of any of the foregoing. *Ante*, p. 1696.

"(e) DATE FOR FILING RETURN.—The date for filing the return of the tax imposed by this section for any calendar quarter shall be the last day of the first month following such quarter.".

(b) TECHNICAL AMENDMENT.—Section 4293 of such Code (relating to exemption for United States and possessions) is amended by striking out "chapters 31 and 32" and inserting in lieu thereof "section 4041, chapter 32". 26 USC 4293.

(c) CLERICAL AMENDMENT.—The table of sections for chapter 31 of such Code is amended by adding at the end thereof the following new item: 26 USC 4041.

"Sec. 4042. Tax on fuel used in commercial transportation on inland waterways.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1980. 26 USC 4042 note.

SEC. 203. ESTABLISHMENT OF INLAND WATERWAYS TRUST FUND. 33 USC 1801.

(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the "Inland Waterways Trust Fund" (hereinafter in this title referred to as the "Trust Fund"), consisting of such amounts as may be appropriated or credited to the Trust Fund as provided in this section.

(b) TRANSFER TO TRUST FUND OF AMOUNTS EQUIVALENT TO CERTAIN TAXES.—

(1) IN GENERAL.—There are hereby appropriated to the Trust Fund amounts determined by the Secretary of the Treasury (hereinafter in this section referred to as the "Secretary") to be equivalent to the amounts of the taxes received in the Treasury under section 4042 of the Internal Revenue Code of 1954 (relating to tax on fuel used in commercial transportation on inland waterways). *Ante*, p. 1696.

(2) METHOD OF TRANSFER.—The amounts appropriated by paragraph (1) shall be transferred at least quarterly from the general fund of the Treasury to the Trust Fund on the basis of estimates made by the Secretary of the amounts referred to in paragraph (1) received in the Treasury. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(c) MANAGEMENT OF TRUST FUND.—

(1) REPORT.—It shall be the duty of the Secretary to hold the Trust Fund, and to report to the Congress each year ending on or after September 30, 1981, on the financial condition and the results of the operations of the Trust Fund during the preceding fiscal year and on its expected condition and operations during the fiscal year and the next 5 fiscal years after the fiscal year. Such report shall be printed as a House document of the session of the Congress to which the report is made. Report to Congress.

(2) INVESTMENT.—

(A) IN GENERAL.—It shall be the duty of the Secretary to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the

United States. For such purpose, such obligations may be acquired (i) on original issue at the issue price, or (ii) by purchase of outstanding obligations at the market price.

(B) SALE OF OBLIGATIONS.—Any obligation acquired by the Trust Fund may be sold by the Secretary at the market price.

(C) INTEREST; PROCEEDS FROM SALES AND REDEMPTIONS.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

33 USC 1802.

SEC. 204. TRUST FUND AVAILABLE FOR EXPENDITURES FOR NAVIGATION CONSTRUCTION AND REHABILITATION PROJECTS ON INLAND WATERWAYS.

(a) IN GENERAL.—Amounts in the Trust Fund shall be available, as provided by appropriations Acts, for making construction and rehabilitation expenditures for navigation on the inland and intracoastal waterways of the United States described in section 206 of this Act. No amount may be appropriated out of the Trust Fund unless the law authorizing the expenditure for which the amount is appropriated explicitly provides that the appropriation is to be made out of the Trust Fund.

(b) EXPENDITURES MUST BE OTHERWISE AUTHORIZED BY LAW.—Nothing in this section shall be deemed to authorize any program, project, or other activity not otherwise authorized by law.

33 USC 1803.

SEC. 205. STUDY WITH RESPECT TO INLAND WATERWAY USER TAXES AND CHARGES.

(a) STUDY DIRECTED.—The Secretary of Transportation and the Secretary of Commerce, in consultation with the Secretary of the Treasury, the Secretary of Agriculture, the Secretary of Energy, the Attorney General of the United States, the Secretary of the Army, the Chairman of the Water Resources Council, and the Director of the Office of Management and Budget, shall—

(1) make a full and complete study with respect to inland waterway user taxes and charges, and

(2) make findings and policy recommendations with respect thereto.

Such study shall include (but shall not be limited to) a consideration of the matters listed in subsections (b), (c), (d), (e), and (f) of this section.

(b) CONSIDERATIONS RELATING TO THE TAXING MECHANISM.—

(1) The extent to which the Federal Government should seek to recover some or all of Federal expenditures for the benefit of inland waterway transportation from the users of the facilities for which such expenditures are made.

(2) The various forms of inland waterway user taxes and charges which could be established.

(3) The various methods of collecting inland waterway user taxes and charges, and the administrative costs of such taxes and charges.

(4) The classes and categories of users and other persons on whom inland waterway user taxes and charges should be imposed.

(5) The waterways of the United States (including the Great Lakes, deep draft channels, and coastal ports) which should be included in any system of user taxes and charges, together with the economic effects of such taxes and charges.

(6) The use of revenues derived from inland waterway user taxes and charges, including consideration of changes in, or alternatives to, the Trust Fund mechanism.

(c) CONSIDERATIONS RELATING TO ECONOMIC EFFECTS.—The economic effects of waterway user taxes and charges on—

(1) CARRIERS AND USERS.—On—

(A) carriers and shippers using the inland waterways, and

(B) users (including ultimate consumers) of commodities which are transported on the inland waterways.

(2) REGIONS, ETC.—On—

(A) existing investment in industrial plants, agricultural interests, and commercial enterprises, and on related employment, in regions of the country served by inland water transportation directly or in combination with other modes, and

(B) future economic growth prospects in such regions, including anticipated shifts of industry and employment to other areas together with an evaluation of effects on regional economies and their development, including consistency with Federal policies as set forth in other legislation.

(3) SMALL BUSINESS AND INDUSTRIAL CONCENTRATION AND COMPETITION.—On—

(A) small business enterprise, and

(B) industrial concentration and competition, both within the transportation industry and in any line of commerce (within the meaning of the antitrust laws).

(4) COMPETITORS.—On the freight rates charged by other modes of transportation and the extent of short-term and long-term diversion of traffic from the inland waterways to such other modes. In considering such diversion of traffic, there shall also be considered the effects of such diversion on—

(A) the development of alternative sources of supply and on alternative modes of transportation and alternative routing to market,

(B) the comparative safety of the handling and transportation of hazardous materials, and

(C) the comparative energy efficiency of the modes and routes of the transportation involved.

(5) PRICES.—On prices of commodities shipped by inland waterways and by competing modes, including the costs of energy materials and the effects on electric power rates.

(6) BALANCE OF PAYMENTS.—On the balance of payments of the United States based on our international trade.

(d) CONSIDERATIONS RELATING TO ECONOMIC FEASIBILITY OF WATERWAY IMPROVEMENT PROJECTS; LEVEL OF BENEFITS FROM WATERWAY EXPENDITURES.—

(1) The effects of inland waterway user taxes and charges on the economic feasibility of inland waterway improvement projects.

(2) The comparative levels of benefits received from Federal expenditures on inland waterways for—

(A) commercial uses, and

(B) other uses, including (but not limited to) recreation, reclamation, water supply, low-flow augmentation, fish and wildlife enhancement, hydroelectric power, flood control, and irrigation uses.

(e) CONSIDERATIONS RELATING TO FEDERAL ASSISTANCE.—

(1) The extent of past, present, and expected future Federal assistance to the several modes of freight transportation. Such consideration shall include an evaluation and comparison of the public benefits resulting from such assistance to each of the several transportation modes in terms of adequacy, efficiency, and economy of service, safety, technological progress, and energy conservation. The Federal assistance considered under this paragraph shall include all forms of such assistance, such as tax advantages, direct grants, rate adjustments for improvement purposes, assumption of pension fund liabilities, loans, guarantees, capital participation, revenues from land grants, and provision of right-of-way operation, maintenance, and improvement.

(2) The competitive effects of past, present, and expected future Federal expenditures on inland waterways on competitive modes of transportation.

(3) The need for Federal assistance to agricultural, industrial, and other interests affected by inland waterway user taxes and charges.

(f) CONSIDERATIONS RELATING TO POLICY AND FUTURE DEVELOPMENT.—The effects of inland waterway user taxes and charges on—

(1) The achievement of the objectives of the National Transportation Policy as set forth in the preamble to the Transportation Act of 1940.

49 USC prec. 1.

(2) The expansion and improvement of the inland waterways determined to be necessary by the Secretary of the Army under section 158 of the Water Resources Development Act of 1976 (Public Law 94-587) or estimated to be necessary under paragraph (3).

33 USC 540 note.

(3) The requirements of the Nation through the year 2000 for transportation service, the portion thereof which should be provided by inland waterway carriers, and an estimate of the expansion and improvement of inland waterway capacity necessary to meet such requirements.

(g) INLAND WATERWAY USER TAXES AND CHARGES DEFINED.—For purposes of this section, the term "inland waterway user taxes and charges" means taxes imposed on the use of the inland and intracoastal waterways of the United States and all alternatives to such taxes.

Transmittal to Congress.

(h) REPORT.—Not later than September 30, 1981, the Secretary of Transportation shall transmit to Congress a final report of the study required by this section, together with his findings and recommendations (including necessary legislation) and the findings and recommendations of the Secretary of Commerce, the Secretary of the Treasury, the Secretary of Agriculture, the Secretary of Energy, the Attorney General of the United States, the Secretary of the Army, the Chairman of the Water Resources Council, and the Director of the Office of Management and Budget.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated from time to time to the Secretary of Transportation such sums, not to exceed $8,000,000 in the aggregate, as may be necessary to carry out the study required by this section.

33 USC 1804.

SEC. 206. INLAND AND INTRACOASTAL WATERWAYS OF THE UNITED STATES.

Ante, 1696.

For purposes of section 4042 of the Internal Revenue Code of 1954 (relating to tax on fuel used in commercial transportation on inland waterways) and for purposes of section 204 of this Act, the following

inland and intracoastal waterways of the United States are described in this section:

(1) Alabama-Coosa Rivers: From junction with the Tombigbee River at river mile (hereinafter referred to as RM) 0 to junction with Coosa River at RM 314.

(2) Allegheny River: From confluence with the Monongahela River to form the Ohio River at RM 0 to the head of the existing project at East Brady, Pennsylvania, RM 72.

(3) Apalachicola-Chattahoochee and Flint Rivers: Apalachicola River from mouth at Apalachicola Bay (intersection with the Gulf Intracoastal Waterway) RM 0 to junction with Chattahoochee and Flint Rivers at RM 107.8. Chattachoochee River from junction with Apalachicola and Flint Rivers at RM 0 to Columbus, Georgia, at RM 155 and Flint River, from junction with Apalachicola and Chattahoochee Rivers at RM 0 to Bainbridge, Georgia, at RM 28.

(4) Arkansas River (McClellan-Kerr Arkansas River Navigation System): From junction with Mississippi River at RM 0 to port of Catoosa, Oklahoma, at RM 448.2.

(5) Atchafalaya River: From RM 0 at its intersection with the Gulf Intracoastal Waterway at Morgan City, Louisiana, upstream to junction with Red River at RM 116.8.

(6) Atlantic Intracoastal Waterway: Two inland water routes approximately paralleling the Atlantic coast between Norfolk, Virginia, and Miami, Florida, for 1,192 miles via both the Albermarle and Chesapeake Canal and Great Dismal Swamp Canal routes.

(7) Black Warrior-Tombigbee-Mobile Rivers: Black Warrior River System from RM 2.9, Mobile River (at Chickasaw Creek) to confluence with Tombigbee River at RM 45. Tombigbee River (to Demopolis at RM 215.4) to port of Birmingham, RM's 374–411 and upstream to head of navigation on Mulberry Fork (RM 429.6), Locust Fork (RM 407.8), and Sipsey Fork (RM 430.4).

(8) Columbia River (Columbia-Snake Rivers Inland Waterways): From The Dalles at RM 191.5 to Pasco, Washington (McNary Pool), at RM 330, Snake River from RM 0 at the mouth to RM 231.5 at Johnson Bar Landing, Idaho.

(9) Cumberland River: Junction with Ohio River at RM 0 to head of navigation, upstream to Carthage, Tennessee, at RM 313.5.

(10) Green and Barren Rivers: Green River from junction with the Ohio River at RM 0 to head of navigation at RM 149.1.

(11) Gulf Intracoastal Waterway: From St. Mark's River, Florida, to Brownsville, Texas, 1,134.5 miles.

(12) Illinois Waterway (Calumet-Sag Channel): From the junction of the Illinois River with the Mississippi River RM 0 to Chicago Harbor at Lake Michigan, approximately RM 350.

(13) Kanawha River: From junction with Ohio River at RM 0 to RM 90.6 at Deepwater, West Virginia.

(14) Kaskaskia River: From junction with the Mississippi River at RM 0 to RM 36.2 at Fayetteville, Illinois.

(15) Kentucky River: From junction with Ohio River at RM 0 to confluence of Middle and North Forks at RM 258.6.

(16) Lower Mississippi River: From Baton Rouge, Louisiana, RM 233.9 to Cairo, Illinois, RM 953.8.

(17) Upper Mississippi River: From Cairo, Illinois, RM 933.8 to Minneapolis, Minnesota, RM 1,811.4.

(18) Missouri River: From junction with Mississippi River at RM 0 to Sioux City, Iowa, at RM 734.8.

(19) Monongahela River: From junction with Allegheny River to form the Ohio River at RM 0 to junction of the Tygart and West Fork Rivers, Fairmont, West Virginia, at RM 128.7.

(20) Ohio River: From junction with the Mississippi River at RM 0 to junction of the Allegheny and Monongahela Rivers at Pittsburgh, Pennsylvania, at RM 981.

(21) Ouachita-Black Rivers: From the mouth of the Black River at its junction with the Red River at RM 0 to RM 351 at Camden, Arkansas.

(22) Pearl River: From junction of West Pearl River with the Rigolets at RM 0 to Bogalusa, Louisiana, RM 58.

(23) Red River: From RM 0 to the mouth of Cypress Bayou at RM 236.

(24) Tennessee River: From junction with Ohio River at RM 0 to confluence with Holstein and French Rivers at RM 652.

(25) White River: From RM 9.8 to RM 255 at Newport, Arkansas.

(26) Willamette River: From RM 21 upstream of Portland, Oregon, to Harrisburg, Oregon, at RM 194.

TITLE III—PROCEEDS FROM BINGO GAMES

26 USC 513.

SEC. 301. (a) Section 513 of the Internal Revenue Code of 1954 (defining unrelated trade or business) is amended by adding at the end thereof the following new subsection:

"(f) CERTAIN BINGO GAMES.—

Definitions.

"(1) IN GENERAL.—The term 'unrelated trade or business' does not include any trade or business which consists of conducting bingo games.

"(2) BINGO GAME DEFINED.—For purposes of paragraph (1), the term 'bingo game' means any game of bingo—

"(A) of a type in which usually—

"(i) the wagers are placed,

"(ii) the winners are determined, and

"(iii) the distribution of prizes or other property is made,

in the presence of all persons placing wagers in such game,

"(B) the conducting of which is not an activity ordinarily carried out on a commercial basis, and

"(C) the conducting of which does not violate any State or local law."

26 USC 513 note.

(b) The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1969.

26 USC 527.

SEC. 302. (a) Paragraph (3) of section 527(c) of the Internal Revenue Code of 1954 (defining exempt function income) is amended by striking out "or" at the end of subparagraph (B), by adding "or" at the end of subparagraph (C), and by inserting after subparagraph (C) the following new subparagraph:

"(D) proceeds from the conducting of any bingo game (as defined in section 513(f)(2)),".

Supra.

(b)(1) The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1974, except that notwithstanding any other provision of law to the contrary, no amounts held at the date of enactment of this bill by an organization described in section 527(e)(1) of the Internal Revenue Code of 1954 in escrow, in separate accounts for the payment of Federal taxes, or in any other fund which are proceeds described in section 527(c)(3)(D) of such Code may be used, directly or indirectly, to make a contribution or expenditure (as defined in section 301 (e) and (f) of the Federal Election Campaign Act of 1971; 2 U.S.C. 431(f)) in connection with any election held before January 1, 1979. 26 USC 527 note. 26 USC 527.

(2) Such amounts as described in (1) above shall not be considered as security or collateral for any loan by any State or national bank or any other person or organization.

Approved October 21, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1608 (Comm. on Ways and Means).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 25, considered and passed House.
Oct. 10, considered and passed Senate, amended.
Oct. 13, House concurred in Senate amendment.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 43:
Oct. 21, Presidential statement.

Public Law 95-503
95th Congress

An Act

Oct. 24, 1978
[S. 2411]

To amend chapter 315 of title 18, United States Code, to authorize payment of transportation expenses for persons released from custody pending their appearance to face criminal charges before that court, any division of that court, or any court of the United States in another Federal judicial district.

Courts.
Transportation expenses.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 315 of title 18, United States Code, is amended by adding at the end thereof the following new section:

18 USC 4285.

"§ 4285. Persons released pending further judicial proceedings

18 USC 3141 *et seq.*

"Any judge or magistrate of the United States, when ordering a person released under chapter 207 on a condition of his subsequent appearance before that court, any division of that court, or any court of the United States in another judicial district in which criminal proceedings are pending, may, when the interests of justice would be served thereby and the United States judge or magistrate is satisfied, after appropriate inquiry, that the defendant is financially unable to provide the necessary transportation to appear before the required court on his own, direct the United States marshal to arrange for that person's means of noncustodial transportation or furnish the fare for such transportation to the place where his appearance is required, and in addition may direct the United States marshal to furnish that person with an amount of money for subsistence expenses to his destination, not to exced the amount authorized as a per diem allowance for travel under section 5702(a) of title 5, United States Code. When so ordered, such expenses shall be paid by the marshal out of funds authorized by the Attorney General for such expenses.".

SEC. 2. The section analysis of chapter 315 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"4285. Persons released pending further judicial proceedings.".

Effective date.
18 USC 4285 note.

SEC. 3. The amendments made by this Act shall take effect on October 1, 1978.

Approved October 24, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1653 (Comm. on the Judiciary).
SENATE REPORT No. 95-760 (Comm. on the Judiciary).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Apr. 27, considered and passed Senate.
Oct. 10, considered and passed House.

Public Law 95-504
95th Congress

An Act

To amend the Federal Aviation Act of 1958, to encourage, develop, and attain an air transportation system which relies on competitive market forces to determine the quality, variety, and price of air services, and for other purposes.

Oct. 24, 1978
[S. 2493]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Airline Deregulation Act of 1978.

SHORT TITLE

SECTION 1. This Act may be cited as the "Airline Deregulation Act of 1978".

49 USC 1301 note.

DEFINITIONS

SEC. 2. (a) Section 101 of the Federal Aviation Act of 1958 (49 U.S.C. 1301) is amended—

(1) by inserting after paragraph (13) the following new paragraphs:

"(14) 'Charter air carrier' means an air carrier holding a certificate of public convenience and necessity authorizing it to engage in charter air transportation.

"(15) 'Charter air transportation' means charter trips, including inclusive tour charter trips, in air transportation, rendered pursuant to authority conferred under this Act under regulations prescribed by the Board.";

(2) by inserting after paragraph (32) the following new paragraph:

"(33) 'Predatory' means any practice which would constitute a violation of the antitrust laws as set forth in the first section of the Clayton Act (15 U.S.C. 12).";

(3) by inserting after paragraph (35) the following new paragraph:

"(36) 'State agency' means that department, agency, officer, or other entity of a State government which has been designated according to State law as—

"(A) the recipient of any notice required under title IV of this Act to be given to a State agency; or

"(B) the representative of the State in any matter about which the Board is required, under such title IV, to consult with or consider the views of a State agency."; and

(4) by striking out paragraphs (36) and (37).

(b) Section 101 of such Act is amended by renumbering the paragraphs of such section, including all references thereto, as paragraphs (1) through (41), respectively.

DECLARATION OF POLICY

SEC. 3. (a) Section 102(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1302(a)) is amended to read as follows:

"FACTORS FOR INTERSTATE AND OVERSEAS AIR TRANSPORTATION

"SEC. 102. (a) In the exercise and performance of its powers and duties under this Act with respect to interstate and overseas air transportation, the Board shall consider the following, among other things, as being in the public interest, and in accordance with the public convenience and necessity:

"(1) The assignment and maintenance of safety as the highest priority in air commerce, and prior to the authorization of new air transportation services, full evaluation of the recommendations of the Secretary of Transportation on the safety implications of such new services and full evaluation of any report or recommendation submitted under section 107 of this Act.

Post, p. 1709.

"(2) The prevention of any deterioration in established safety procedures, recognizing the clear intent, encouragement, and dedication of the Congress to the furtherance of the highest degree of safety in air transportation and air commerce, and the maintenance of the safety vigilance that has evolved within air transportation and air commerce and has come to be expected by the traveling and shipping public.

"(3) The availability of a variety of adequate, economic, efficient, and low-price services by air carriers without unjust discriminations, undue preferences or advantages, or unfair or deceptive practices, the need to improve relations among, and coordinate transportation by, air carriers, and the need to encourage fair wages and equitable working conditions.

"(4) The placement of maximum reliance on competitive market forces and on actual and potential competition (A) to provide the needed air transportation system, and (B) to encourage efficient and well-managed carriers to earn adequate profits and to attract capital.

"(5) The development and maintenance of a sound regulatory environment which is responsive to the needs of the public and in which decisions are reached promptly in order to facilitate adaptation of the air transportation system to the present and future needs of the domestic and foreign commerce of the United States, the Postal Service, and the national defense.

"(6) The encouragement of air service at major urban areas through secondary or satellite airports, where consistent with regional airport plans of regional and local authorities, and when such encouragement is endorsed by appropriate State entities encouraging such service by air carriers whose sole responsibility in any specific market is to provide service exclusively at the secondary or satellite airport, and fostering an environment which reasonably enables such carriers to establish themselves and to develop their secondary or satellite airport services.

"(7) The prevention of unfair, deceptive, predatory, or anticompetitive practices in air transportation, and the avoidance of—

"(A) unreasonable industry concentration, excessive market domination, and monopoly power; and

"(B) other conditions;

that would tend to allow one or more air carriers unreasonably to increase prices, reduce services, or exclude competition in air transportation.

"(8) The maintenance of a comprehensive and convenient system of continuous scheduled airline service for small communities and for isolated areas, with direct Federal assistance where appropriate.

"(9) The encouragement, development, and maintenance of an air transportation system relying on actual and potential competition to provide efficiency, innovation, and low prices, and to determine the variety, quality, and price of air transportation services.

"(10) The encouragement of entry into air transportation markets by new air carriers, the encouragement of entry into additional air transportation markets by existing air carriers, and the continued strengthening of small air carriers so as to assure a more effective, competitive airline industry.".

(b) Section 102 of such Act is amended by adding at the end thereof the following new subsection: 49 USC 1302.

"FACTORS FOR FOREIGN AIR TRANSPORTATION

"(c) In the exercise and performance of its powers and duties under this Act with respect to foreign air transportation, the Board shall consider the following, among other things, as being in the public interest, and in accordance with the public convenience and necessity:

"(1) The encouragement and development of an air transportation system properly adapted to the present and future needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense.

"(2) The regulation of air transportation in such manner as to recognize and preserve the inherent advantages of, assure the highest degree of safety in, and foster sound economic conditions in, such transportation, and to improve the relations between and coordinate transportation by air carriers.

"(3) The promotion of adequate, economical, and efficient service by air carriers at reasonable charges, without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices.

"(4) Competition to the extent necessary to assure the sound development of an air transportation system properly adapted to the needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense.

"(5) The promotion of safety in air commerce.

"(6) The promotion, encouragement, and development of civil aeronautics.".

(c) That portion of the table of contents contained in the first section of such Act which appears under the side heading

"Sec. 102. Declaration of Policy: The Board."

is amended by striking out

"(a) General factors for consideration.
"(b) Factors for all-cargo air service."

and inserting in lieu thereof

"(a) Factors for interstate and overseas air transportation.
"(b) Factors for all-cargo air service.
"(c) Factors for foreign air transportation.".

FEDERAL PREEMPTION

SEC. 4. (a) Title I of the Federal Aviation Act of 1958 (49 U.S.C. 1301 et seq.) is amended by adding at the end thereof the following new section:

"FEDERAL PREEMPTION

"PREEMPTION

49 USC 1305. "SEC. 105. (a)(1) Except as provided in paragraph (2) of this subsection, no State or political subdivision thereof and no interstate agency or other political agency of two or more States shall enact or enforce any law, rule, regulation, standard, or other provision having the force and effect of law relating to rates, routes, or services of any 49 USC 1371. air carrier having authority under title IV of this Act to provide interstate air transportation.

"(2) Except with respect to air transportation (other than charter air transportation) provided pursuant to a certificate issued by the 49 USC 1371. Board under section 401 of this Act, the provisions of paragraph (1) of this subsection shall not apply to any transportation by air of persons, property, or mail conducted wholly within the State of Alaska.

"PROPRIETARY POWERS AND RIGHTS

"(b)(1) Nothing in subsection (a) of this section shall be construed to limit the authority of any State or political subdivision thereof or any interstate agency or other political agency of two or more States as the owner or operator of an airport served by any air carrier certificated by the Board to exercise its proprietary powers and rights.

"(2) Any aircraft operated between points in the same State (other than the State of Hawaii) which in the course of such operation crosses a boundary between two States, or between the United States and any other country, or between a State and the beginning of the territorial waters of the United States, shall not, by reason of crossing such boundary, be considered to be operating in interstate or overseas air transportation.

"EXISTING STATE AUTHORITY

"(c) When any intrastate air carrier which on August 1, 1977, was operating primarily in intrastate air transportation regulated by a State receives the authority to provide interstate air transportation, any authority received from such State shall be considered to be part of its authority to provide air transportation received from the Board under title IV of this Act, until modified, suspended, amended, or terminated as provided under such title.

"DEFINITION

"(d) For purposes of this section, the term 'State' means any State, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, and any territory or possession of the United States.".

(b) That portion of the table of contents contained in the first section of such Act which appears under the center heading

"TITLE I—GENERAL PROVISIONS"

is amended by adding at the end thereof

"Sec. 105. Federal preemption.
"(a) Preemption.
"(b) Proprietary powers and rights.
"(c) Existing State authority.
"(d) Definition.".

REPORT ON SUBSIDY COST-SHARING, STUDY OF LEVEL OF AIR SAFETY, AND REPORT ON AIR CARRIER MARKETING OF TOURS

SEC. 5. (a) Title I of the Federal Aviation Act of 1958 (49 U.S.C. 1301 et seq.) is further amended by adding at the end thereof the following new sections:

"REPORT ON SUBSIDY COST-SHARING

"SEC. 106. Not later than January 1, 1980, the Board and the Secretary of Transportation, shall, separately or jointly, submit a comprehensive report to the Congress on the feasibility and appropriateness of devising formulas by which States and their political subdivisions could share part of the costs being incurred by the United States under sections 406 and 419 of this Act. Such report shall include any recommendations of the Board and the Secretary for the implementation of such cost-sharing formulas. 49 USC 1306. 49 USC 1376. *Post*, p. 1732.

"SAFETY STUDY

"POLICY

"SEC. 107. (a) The Congress intends that the implementation of the Airline Deregulation Act of 1978 result in no diminution of the high standard of safety in air transportation attained in the United States at the time of the enactment of such Act. 49 USC 1307.

"REPORT

"(b) Not later than January 31, 1980, and each January 31 thereafter, the Secretary of Transportation shall prepare and submit to the Congress and the Board a comprehensive annual report on the extent to which the implementation of the Airline Deregulation Act of 1978 has affected, during the preceding calendar year, or will affect, in the succeeding calendar year, the level of air safety. Each such report shall, at a minimum, contain an analysis of each of the following: *Ante*, p. 1705.

"(1) All relevant data on accidents and incidents occurring during the calendar year covered by such report in air transportation and on violations of safety regulations issued by the Secretary of Transportation occurring during such calendar year.

"(2) Current and anticipated personnel requirements of the Administrator with respect to enforcement of air safety regulations.

"(3) Effects on current levels of air safety of changes or proposals for changes in air carrier operating practices and procedures which occurred during the calendar year covered by such report.

"(4) The adequacy of air safety regulations taking into consideration changes in air carrier operating practices and procedures which occurred during the calendar year covered by such report.

Based on such report, the Secretary shall take those steps necessary to ensure that the high standard of safety in air transportation referred to in subsection (a) of this section is maintained in all aspects of air transportation in the United States.

"RECOMMENDATIONS

"(c) Not later than January 31, 1980, and each January 31 thereafter, the Secretary of Transportation shall submit to the Congress and the Board recommendations with respect to the level of surveillance necessary to enforce air safety regulations and the level of staffing necessary to carry out such surveillance. The Secretary of Transportation's recommendations shall include proposals for any legislation needed to implement such recommendations.

"REGULATIONS AND INSPECTION PROCEDURES

Review and report to congressional committees.

"(d) Not later than July 1, 1979, the Secretary of Transportation shall complete a thorough review, and submit a report thereon to the appropriate authorizing committees of the Congress and to the Administrator, of the safety regulations and inspection procedures applicable to each class of air carriers subject to the provisions of title IV of this Act, in order to ensure that all classes of air carriers are providing the highest possible level of safe, reliable air transportation to all the communities served by those air carriers. Based on such review, the Administrator shall promulgate such safety regulations and establish such inspection procedures as the Administrator deems necessary to maintain the highest standard of safe, reliable air transportation in the United States.

49 USC 1371.

"REPORT ON AIR CARRIER MARKETING OF TOURS

49 USC 1308.

"SEC. 108. Not later than May 1, 1979, the Board shall prepare and submit a report to the Congress which sets forth the recommendations of the Board on whether this Act and regulations of the Board should be amended to permit air carriers to sell tours directly to the public and to acquire control of persons authorized to sell tours to the public. The report shall evaluate the effects on the following groups of allowing air carriers to sell tours:

"(1) The traveling public.
"(2) The independent tour operator industry.
"(3) The travel agent industry.
"(4) The different classes of air carriers.".

(b) That portion of the table of contents contained in the first section of such Act which appears under the center heading

"TITLE I—GENERAL PROVISIONS"

is amended by adding at the end thereof

"Sec. 106. Report on subsidy cost-sharing.
"Sec. 107. Safety study.
"(a) Policy.
"(b) Report.
"(c) Recommendations.
"(d) Regulations and inspection procedure.
"Sec. 108. Report on air carrier marketing of tours.".

APPLICATION FOR CERTIFICATE

SEC. 6. Section 401(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1371(b)) is amended—

(1) by striking out "and shall be so verified"; and

(2) by inserting ", and upon any community affected" immediately before the period.

ROUTE APPLICATIONS

SEC. 7. (a) Section 401(c) of the Federal Aviation Act of 1958 (49 U.S.C. 1371(c)) is amended to read as follows:

"ROUTE APPLICATIONS

"(c)(1) Upon the filing of any application pursuant to subsection (b) of this section, the Board shall give due notice thereof to the public by posting a notice of such application in the office of the secretary of the Board and to such other persons as the Board may by regulation determine. The Board shall— Public notice.

"(A) set such application for a public hearing;

"(B) begin to make a determination with respect to such application under the simplified procedures established by the Board in regulations pursuant to subsection (p); or

"(C) dismiss such application on the merits;

not later than ninety days after the date the application is filed with the Board. Any interested person may file with the Board a protest or memorandum of opposition to or in support of the issuance of the certificate requested by such application. Any order of dismissal of an application issued by the Board without setting such application for a hearing or beginning to make a determination with respect to such application under such simplified procedures, shall be deemed a final order subject to judicial review in accordance with the provisions of section 1006 of this Act. 49 USC 1486.

"(2) If the Board determines that any application should be set for a public hearing under clause (A) of the second sentence of paragraph (1) of this subsection, an initial or recommended decision shall be issued not later than one hundred and fifty days after the date of such determination by the Board. Not later than ninety days after the initial or recommended decision is issued, the Board shall make its final order with respect to such application. If the Board does not act within such ninety-day period— Final order.

"(A) in the case of an application for a certificate to engage in interstate or overseas air transportation, the initial or recommended decision shall become the final decision of the Board and shall be subject to judicial review in accordance with the provisions of section 1006 of this Act; and

"(B) in the case of an application for a certificate to engage in foreign air transportation, the initial or recommended decision shall be transmitted to the President pursuant to section 801 of this Act. 49 USC 1461.

"(3) Not later than the one-hundred-eightieth day after the Board begins to make a determination with respect to an application under the simplified procedures established by the Board in regulations pursuant to subsection (p) of this section, the Board shall issue its final order with respect to such application.

"(4) If an applicant fails to meet the procedural schedule adopted by the Board in a particular proceeding, the applicable period prescribed in paragraph (2) or (3) of this subsection may be extended by the Board for a period equal to the period of delay caused by the applicant. In addition to any extension authorized by the preceding sentence, in extraordinary circumstances, the Board may, by order delay an initial or recommended decision for not to exceed thirty days beyond the final date on which the decision is required to be made.".

(b) The amendments made by subsection (a) of this section shall 49 USC 1371 note.

apply to any application filed under section 401(b) of the Federal Aviation Act of 1958 on or after the one-hundred-eightieth day after the date of enactment of this Act.

49 USC 1371.

(c) That portion of the table of contents contained in the first section of such Act which appears under the side heading

"Sec. 401. Certificate of public convenience and necessity."

is amended by striking out

"(c) Notice of application."

and inserting in lieu thereof

"(c) Route applications."

ISSUANCE OF CERTIFICATE

SEC. 8. Paragraphs (1), (2), and (3) of section 401(d) of the Federal Aviation Act of 1958 (49 U.S.C. 1371(d)(1)-(3)) are amended to read as follows:

"(d)(1) The Board shall issue a certificate authorizing the whole or any part of the transportation covered by the application, if it finds that the applicant is fit, willing, and able to perform such transportation properly and to conform to the provisions of this Act and the rules, regulations, and requirements of the Board hereunder, and that such transportation—

"(A) in the case of interstate or overseas air transportation, is consistent with the public convenience and necessity; and

"(B) in the case of foreign air transportation, is required by the public convenience and necessity;

otherwise such application shall be denied.

"(2) In the case of an application for a certificate to engage in temporary air transportation, the Board may issue a certificate authorizing the whole or any part thereof for such limited periods—

"(A) in the case of an application for interstate or overseas air transportation, as is consistent with the public convenience and necessity; and

"(B) in the case of an application for foreign air transportation, as may be required by the public convenience and necessity;

if it finds that the applicant is fit, willing, and able properly to perform such transportation and to conform to the provisions of this Act and the rules, regulations, and requirements of the Board hereunder.

"(3) In the case of an application for a certificate to engage in charter air transportation, the Board may issue a certificate to any applicant, not holding a certificate under paragraph (1) or (2) of this subsection on January 1, 1977, authorizing interstate air transportation of persons, which authorizes the whole or any part thereof—

"(A) in the case of an application for interstate or overseas air transportation, for such periods, as is consistent with the public convenience and necessity; and

"(B) in the case of an application for foreign air transportation, for such periods, as may be required by the public convenience and necessity;

if it finds that the applicant is fit, willing, and able properly to perform the transportation covered by the application and to conform to the provisions of this Act and the rules, regulations, and requirements of the Board hereunder.".

THROUGH SERVICE AND JOINT FARES

SEC. 9. Paragraph (4) of section 401(d) of the Federal Aviation Act of 1958 (49 U.S.C. 1371(d)(4)) is amended to read as follows:

"(4)(A) Notwithstanding any other provision of this Act, any citizen of the United States who undertakes, within any State, the carriage of persons or property as a common carrier for compensation or hire with aircraft capable of carrying thirty or more persons pursuant to authority for such carriage within such State granted by the appropriate State agency is authorized—

"(i) to establish services for persons and property which includes transportation by such citizen over its routes in such State and transportation by an air carrier or a foreign air carrier in air transportation; and

"(ii) subject to the requirements of section 412 of this title, to enter into an agreement with any air carrier or foreign air carrier for the establishment of joint fares, rates, or services for such through services. 49 USC 1382.

"(B) The joint fares or rates established under clause (ii) of subparagraph (A) of this paragraph shall be the lowest of—

"(i) the sum of the applicable fare or rate for service in the State approved by the appropriate State agency, and the applicable fare or rate for that part of the through service provided by the air carrier or foreign air carrier;

"(ii) a joint fare or rate established and filed in accordance with section 403 of this Act; or 49 USC 1373.

"(iii) a joint fare or rate established by the Board in accordance with section 1002 of this Act.". 49 USC 1482.

UNUSED AUTHORITY

SEC. 10. (a) Section 401(d) of the Federal Aviation Act of 1958 (49 U.S.C. 1371(d)) is amended by adding at the end thereof the following new paragraph:

"(5)(A) Except as provided in subparagraphs (B) and (G)(i) of this paragraph, if an air carrier is authorized by its certificate to provide round trip service nonstop each way between any two points in the forty-eight contiguous States or between any two points in overseas air transportation and if such air carrier fails to provide such service pursuant to published flight schedules at a minimum of five round trips per week for at least thirteen weeks during any twenty-six-week period (other than such a period during which service was interrupted by a labor dispute which lasted more than six weeks) the last day of which ends on or after the date of enactment of this paragraph and if such service, at a minimum of five round trips per week, has been provided between such points for at least thirteen weeks during such twenty-six-week period, pursuant to published flight schedules, by no more than one other air carrier, then the Board shall issue a certificate to the first applicant who, within thirty days after the last day of such twenty-six-week period, submits an application which certifies that its aircraft meet all requirements established by the Secretary of Transportation for the carriage by aircraft of persons or property as a common carrier for compensation or hire or the carriage of mail by aircraft in commerce and that it is able to conform to the rules, regulations, and requirements of the Board promulgated pursuant to this Act.

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"(B) Except as provided in subparagraph (G)(ii) of this paragraph, if an air carrier is authorized to provide seasonal round trip service nonstop each way between any two points in the forty-eight contiguous States in interstate air transportation or between any two points in overseas air transportation and if such air carrier fails to provide such service pursuant to published flight schedules at a minimum of five round trips per week during half of the weeks during such season (other than such a season during which service was interrupted by a labor dispute which lasted more than 25 per centum of such season) the last day of which ends on or after the date of enactment of this paragraph and if such service, at a minimum of five round trips per week, has been provided between such points for at least half of the weeks during such season, pursuant to published flight schedules, by no more than one other air carrier, then the Board shall issue a certificate to the first applicant who, within thirty days after the last day of such season, submits an application which certifies that its aircraft meet all requirements established by the Secretary of Transportation for the carriage by aircraft of persons or property as a common carrier for compensation or hire or the carriage of mail by aircraft in commerce and that it is able to conform to the rules, regulations, and requirements of the Board promulgated pursuant to this Act.

Final order.

"(C) With respect to any application which is submitted pursuant to subparagraph (A) or (B) of this paragraph, except as provided in subparagraph (G), the Board shall issue a final order granting such certificate within fifteen days of the date of such application.

"(D) Except as provided in subparagraphs (E) and (G)(i) of this paragraph, if an air carrier is authorized by its certificate to provide round trip service nonstop each way between any two points in the forty-eight contiguous States or between any two points in overseas air transportation and if such air carrier fails to provide such service pursuant to published flight schedules at a minimum of five round trips per week for at least thirteen weeks during any twenty-six-week period (other than such a period during which service was interrupted by a labor dispute which lasted more than six weeks) the last day of which ends on or after the date of enactment of this paragraph and if such service, at a minimum of five round trips per week, has been provided between such points for at least thirteen weeks during such twenty-six-week period, pursuant to published flight schedules, by two or more other air carriers, then the Board, subject to subparagraph (F) of this paragraph, shall issue a certificate to the first applicant who, within thirty days after the last day of such twenty-six-week period, submits an application which certifies that its aircraft meet all requirements established by the Secretary of Transportation for the carriage by aircraft of persons or property as a common carrier for compensation or hire or the carriage of mail by aircraft in commerce and that it is able to conform to the rules, regulations, and requirements of the Board promulgated pursuant to this Act.

"(E) Except as provided in subparagraph (G)(ii) of this paragraph, if an air carrier is authorized to provide seasonal round trip service nonstop each way between any two points in the forty-eight contiguous States in interstate air transportation or between any two points in overseas air transportation and if such air carrier fails to provide such service pursuant to published flight schedules at a minimum of five round trips per week during half of the weeks during such season (other than such a season during which service was interrupted by a labor dispute which lasted more than 25 per centum of such sea-

son) the last day of which ends on or after the date of enactment of this paragraph and if such service, at a minimum of five round trips per week, has been provided between such points for at least half of the weeks during such season, pursuant to published flight schedules, by two or more other air carriers, then the Board, subject to subparagraph (F) of this paragraph, shall issue a certificate to the first applicant who, within thirty days after the last day of such season, submits an application which certifies that its aircraft meet all requirements established by the Secretary of Transportation for the carriage by aircraft of persons or property as a common carrier for compensation or hire or the carriage of mail by aircraft in commerce and that it is able to conform to the rules, regulations, and requirements of the Board promulgated pursuant to this Act.

"(F)(i) Except as provided in subparagraph (G) of this paragraph, with respect to any application which is submitted pursuant to subparagraph (D) or (E) of this paragraph, the Board shall issue a final order granting such certificate within sixty days of the date of such application, unless the Board finds that the issuance of such certificate is inconsistent with the public convenience and necessity. Prior to issuing such final order, the Board shall afford adequate notice and opportunity for interested persons to file appropriate written evidence and argument, but the Board need not hold oral evidentiary hearings. Notice.

"(ii) For purposes of clause (i) of this subparagraph, there shall be a rebuttable presumption that any transportation covered by an application for a certificate submitted pursuant to subparagraph (D) or (E) of this paragraph is consistent with the public convenience and necessity.

"(G)(i) If, after the failure of any air carrier to provide the minimum level of service between any pair of points for the period of time specified in subparagraph (A) or (D) of this paragraph and before the Board receives an application from any applicant for a certificate under such subparagraph to provide air transportation between such points, the Board receives notice from such air carrier that it intends to commence service within thirty days of such notice and to provide a minimum of five round trips per week for thirteen consecutive weeks between such points and the Board has not previously received notice from such air carrier with respect to such points, the Board shall not approve such application for a certificate to provide service between such points during such thirteen-week period based upon such failure, unless such air carrier fails to provide such service during such thirteen-week period. Notice.

"(ii) If, after the failure of any air carrier to provide the minimum level of service between any pair of points for the period of time specified in subparagraph (B) or (E) of this paragraph and before the Board receives an application from any applicant for a certificate under such subparagraph to provide air transportation between such points, the Board receives notice from such air carrier that it intends to commence service within fifteen days of the first day of the next season and to provide a minimum of five round trips per week for the first half of such season between such points and the Board has not previously received notice from such air carrier with respect to such points, the Board shall not approve such application for a certificate to provide service between such points during the first half of such period based upon such failure, unless such air carrier fails to provide such service during the first half of such period.

"(H)(i) Whenever the Board issues a certificate pursuant to subparagraph (A) or (D) of this paragraph, the air carrier receiving such certificate shall commence service pursuant to such certificate within forty-five days of such issuance. If such air carrier fails to commence service within such period, the Board shall revoke such certificate.

Revocation of certificate.

"(ii) Whenever the Board issues a certificate pursuant to subparagraph (B) or (E) of this paragraph to provide seasonal service, the air carrier receiving such certificate shall commence service pursuant to such certificate within fifteen days after the beginning of the first such season which begins on or after the date of such issuance. If such air carrier fails to commence service within such period, the Board shall revoke such certificate.

Revocation of certificate.

"(I) Not more than one certificate shall be issued under this paragraph for round trip nonstop service between two points in interstate air transportation based upon the failure of the same air carrier to provide such service between such points.

"(J) Whenever the Board issues a certificate pursuant to subparagraph (A) of this paragraph based upon the failure of any air carrier to provide the round trip service described in such subparagraph, the Board shall suspend the authority of such air carrier to provide such service, and suspend the authority of any other air carrier which failed to provide such service during the same twenty-six-week period for twenty-six weeks after the date of issuance of such certificate pursuant to subparagraph (A), or until such time within such twenty-six weeks as the air carrier to which a certificate is issued under such subparagraph fails to provide such service at a minimum of five round trips per week for at least thirteen weeks, whichever first occurs, except that the Board shall not suspend the authority of such air carriers under this subparagraph if the Board finds that such suspension is not necessary to encourage continued service between such points by the air carrier which received a certificate under subparagraph (A)."

(b) Section 401(f) of such Act is amended by striking out "hereinafter provided" and inserting in lieu thereof "provided in this section".

FILL-UP RIGHTS

SEC. 11. Section 401(d) of the Federal Aviation Act of 1958 (49 U.S.C. 1371(d)) is further amended by adding at the end thereof the following new paragraph:

"(6) Any air carrier holding a valid certificate to engage in foreign air transportation is authorized, on any scheduled flight in foreign air transportation, to transport persons, property, and mail between points in the United States between which it is authorized to operate during such flight. The authority described in the preceding sentence shall be limited to one round-trip flight per day between any such pair of points, unless the Board authorizes more than one round-trip flight per day between any such pair of points.".

AUTOMATIC MARKET ENTRY PROGRAM

SEC. 12. Section 401(d) of the Federal Aviation Act of 1958 (49 U.S.C. 1371(d)) is further amended by adding at the end thereof the following new paragraph:

"(7)(A) After the first business day of each of the calendar years 1979, 1980, and 1981 and before the thirtieth day of such calendar year—

"(i) any air carrier which (I) has operated during the preceding calendar year in accordance with a certificate issued by the Board under this section which has been in force during such entire preceding calendar year, and (II) has provided air transportation of persons during such calendar year; and

"(ii) any intrastate air carrier which has a valid certificate or license issued by a State regulatory authority to engage in intrastate air transportation and which has operated more than one hundred million available seat-miles in intrastate air transportation in the preceding calendar year;

may apply to the Board for a certificate under this subparagraph to engage in nonstop service between any one pair of points in interstate or overseas air transportation (other than a pair of points either point of which is in the State of Hawaii) in addition to any pair of points authorized by any existing certificate or license held by such air carrier or intrastate air carrier, except that no air carrier may apply to engage in nonstop service between such pair of points if any air carrier has filed written notice to the Board pursuant to subparagraph (C) of this paragraph with respect to such pair of points. Not later than the sixtieth day after the date on which the Board receives an application from an applicant under this subparagraph, the Board shall issue a certificate to such applicant for the nonstop service specified in such application, unless within such sixty-day period the Board determines that the applicant is not fit, willing, and able to provide such nonstop service and to conform to the provisions of this Act and the rules, regulations, and requirements of the Board issued under this Act.

"(B) Not later than the one-hundred-twentieth day of calendar year 1979, 1980, or 1981, any air carrier which submitted an application to the Board in accordance with subparagraph (A) of this paragraph in such calendar year and—

"(i) which did not receive a certificate to provide service between the pair of points set forth in the application because of a determination by the Board under such subparagraph (A); or

"(ii) which received a certificate to provide service between such pair of points, but was not the only air carrier to receive a certificate under such subparagraph (A) during such calendar year to provide nonstop service between such pair of points;

may reapply to the Board for a certificate to engage in nonstop service between any one pair of points in interstate or overseas air transportation (other than the pair of points specified in the first application submitted to the Board by such air carrier in such calendar year and other than a pair of points either point of which is in the State of Hawaii) in addition to any pair of points authorized by any existing certificate or license held by such air carrier or intrastate air carrier, except that no air carrier may apply to engage in nonstop service between such pair of points if any air carrier has filed written notice to the Board pursuant to subparagraph (C) of this paragraph with respect to such pair of points. Not later than the sixtieth day after the date on which the Board receives an application under this subparagraph, the Board shall issue a certificate to the applicant for such nonstop service, unless within such sixty-day period the Board makes a determination with respect to the issuance of such certificate in accordance with the second sentence of subparagraph (A) of this paragraph. If the Board issues a certificate to an applicant under this subparagraph, it shall revoke any authority in any certificate which it granted to such applicant in the same calendar year under subparagraph (A) of this paragraph.

Written notice.
Ante, p. 1712.

"(C)(i) Subject to clause (ii) of this subparagraph, any air carrier which is authorized pursuant to paragraph (1) or (2) of this subsection to engage in nonstop service between any pair of points in interstate or overseas air transportation on the first business day of calendar year 1979, 1980, or 1981 and which wants to preclude any other air carrier from obtaining authority under subparagraph (A) or (B) of this paragraph to engage in nonstop service between such pair of points during such calendar year may, on such day, file written notice to the Board which sets forth such pair of points. Upon receipt of any written notice under the preceding sentence, the Board shall make such notice available to the public.

Public availability.

"(ii) No air carrier may file a written notice under clause (i) of this subparagraph during any calendar year with respect to more than one pair of points in interstate or overseas air transportation.

Program modification.

"(D)(i) The Board shall, on an emergency basis, by rule, modify the program established by this paragraph, if the Board finds that—

"(I) the operation of such program is causing substantial public harm to the national air transportation system, or a substantial reduction in air service to small and medium sized communities in any region of the country;

"(II) the modification proposed by the Board is required by the public convenience and necessity in order to alleviate such harm or reduction; and

"(III) such harm or reduction identified by the Board cannot be rectified by any reasonably available means other than the modification proposed by the Board.

Any emergency modification proposed by the Board under this subparagraph shall modify such program only to the minimum extent necessary to rectify the harm or reduction identified by the Board. Any emergency modification of such program may be limited to any pair of points.

"(ii) The findings of fact by the Board in any proceeding held pursuant to this subparagraph, if supported by substantial evidence, shall be conclusive. No objection to a modification of the program proposed by the Board under this subparagraph shall be considered by a court unless such objection shall have been submitted to the Board, of if it was not so submitted, unless there were reasonable grounds for failure to do so.

Study of procedure.

"(E) The Board shall conduct a study of the procedure for certification of air carriers and intrastate air carriers set forth in subparagraphs (A) and (B) of this paragraph to evaluate—

"(i) whether such procedure is consistent with the criteria set forth in section 102 of this Act; and

49 USC 1302.

"(ii) the relative effectiveness of such procedure as compared with other procedures for certification set forth in this Act, including but not limited to, the procedures set forth in paragraphs (5) and (6) of this subsection and in subsection (p) of this section.

Not later than December 31, 1980, the Board shall complete such study and report the results of such study to the Congress.".

EXPERIMENTAL CERTIFICATES

SEC. 13. Section 401(d) of the Federal Aviation Act of 1958 (49 U.S.C. 1371(d)) is further amended by adding at the end thereof the following new paragraph:

Ante, p. 1712.

"(8) The Board may grant an application under subsection (d) (1), (2), or (3) of this section (whether the application be for permanent

or temporary authority) for only a temporary period of time whenever the Board determines that a test period is desirable in order to determine if projected services, efficiencies, methods, rates, fares, charges, or other projected results will in fact materialize and remain for a sustained period of time, or to assess the impact of the new services on the national air route structure, or otherwise to evaluate the proposed new services. In any case where the Board has issued a certificate under any one of such subsections on the basis that the air carrier holding such certificate will provide innovative or low-priced air transportation under such certificate, the Board, upon petition, or its own motion, may review the performance of such air carrier, and may alter, amend, modify, suspend, or revoke such certificate or authority in accordance with the procedures prescribed in section 401(g) of this title, on the grounds that such air carrier has not provided, or is not providing, such air transportation.". 49 USC 1371.

DETERMINATIONS FOR ISSUANCE OF CERTIFICATES

SEC. 14. Section 401(d) of the Federal Aviation Act of 1958 (49 U.S.C. 1371(d)) is further amended by adding at the end thereof the following new paragraph:

"(9)(A) In any determination as to whether or not any applicant is fit, willing, and able to perform properly the air transportation specified in the application for a certificate described in paragraph (1)(A), (2)(A), or (3)(A) of this subsection and to conform to the provisions of this Act, the applicant shall have the burden of showing that it is so fit, willing, and able. *Ante*, p. 1712.

"(B) In any determination as to whether the air transportation specified in any application for a certificate described in paragraph (1)(A), (2)(A), or (3)(A) of this subsection is or is not consistent with the public convenience and necessity, an opponent of the application shall have the burden of showing that such air transportation is not consistent with the public convenience and necessity.

"(C) Transportation covered by any application for a certificate described in paragraph (1)(A), (2)(A), or (3)(A) of this subsection shall, for the purposes of such paragraphs, be deemed to be consistent with the public convenience and necessity, unless the Board finds based upon a preponderance of the evidence that such transportation is not consistent with the public convenience and necessity.".

TERMS AND CONDITIONS OF CERTIFICATES

SEC. 15. (a) Paragraph (3) of section 401(e) of the Federal Aviation Act of 1958 (49 U.S.C. 1371(e)(3)) is amended by striking out "supplemental air transportation" and inserting in lieu thereof "foreign charter air transportation".

(b) Paragraph (4) of section 401(e) of such Act is amended by striking out the semicolon and all that follows down through the period and inserting in lieu thereof a period.

(c) Paragraph (6) of section 401(e) of such Act is amended by striking out "supplemental air carrier" and inserting in lieu thereof "charter air carrier".

REMOVAL OF RESTRICTIONS

SEC. 16. Section 401(e) of the Federal Aviation Act of 1958 (49 U.S.C. 1371(e)) is further amended by adding at the end thereof the following new paragraph:

"(7)(A) On and after the date of enactment of this paragraph, the Board shall not attach a closed-door restriction to any certificate issued under this section. Any closed-door restriction attached to any certificate issued before such date shall, on and after such date, have no force or effect. This subparagraph shall not apply to (i) a closed-door restriction applicable to air transportation between two points both of which are in the State of Hawaii, or (ii) a closed-door restriction in effect on such date which resulted from a sale, exchange, or transfer by any air carrier of its authority to provide air transportation to another air carrier.

"(B) Upon application of any air carrier seeking removal or modification of a term, condition, or limitation attached to a certificate issued under this section to engage in interstate, overseas, or foreign air transportation, the Board shall, within sixty days after the filing of such application, set such application for oral evidentiary hearings on the record or begin to consider such application under the simplified procedures established by the Board in regulations pursuant to subsection (p) of this section for purposes of eliminating or modifying any such term, condition, or limitation which it finds is inconsistent with the criteria set forth in section 102 of this Act. Applications under this paragraph shall not be subject to dismissal pursuant to section 401(c)(1) of this Act.

49 USC 1302.

Ante, p. 1711.

"(C) For purposes of this paragraph, the term 'closed-door restriction' means any condition attached to a certificate to provide interstate or overseas air transportation issued to any air carrier under this section which prohibits such air carrier from providing local passenger service between any pair of points between which it is authorized to operate pursuant to such certificate.".

"Closed-door restriction."

EFFECTIVE DATE AND DURATION OF CERTIFICATE

SEC. 17. Section 401(f) of the Federal Aviation Act of 1958 (49 U.S.C. 1371(f)) is amended by striking out "ceased:" and all that follows down through the period and inserting in lieu thereof "ceased.".

AUTHORITY TO MODIFY, SUSPEND, OR REVOKE

SEC. 18. The first sentence of section 401(g) of the Federal Aviation Act of 1958 (49 U.S.C. 1371(g)) is amended by inserting "or pursuant to the simplified procedures under subsection (p) of this section" after "notice and hearings".

TERMINATIONS, REDUCTIONS, AND SUSPENSIONS OF SERVICE

SEC. 19. (a) Section 401(j) of the Federal Aviation Act of 1958 is amended to read as follows:

"TERMINATIONS, REDUCTIONS, AND SUSPENSIONS OF SERVICE

"(j)(1) No air carrier holding a certificate issued under this section shall—

"(A) terminate or suspend all air transportation which it is providing to a point under such certificate; or

"(B) reduce any such air transportation below that which the Board has determined to be essential air transportation for such point;

unless such air carrier has first given the Board, any community affected, and the State agency of the State in which such community is located, at least 90 days notice of its intent to so terminate, suspend, or reduce such air transportation. The Board may, by regulation or otherwise, authorize such temporary suspension of service as may be in the public interest. Notice.

"(2) If an air carrier holding a certificate issued pursuant to section 401 of this Act proposes to terminate or suspend nonstop or single-plane air transportation between two points being provided by such air carrier under such certificate, and such air carrier is the only air carrier certificated pursuant to such section 401 providing nonstop or single-plane air transportation between such points, at least sixty days before such proposed termination or suspension, such air carrier shall file with the Board and serve upon each community to be directly affected notice of such termination or suspension.". 49 USC 1371.

(b) That portion of the table of contents contained in the first section of such Act which appears under the side heading

"Sec. 401. Certificate of public convenience and necessity."

is amended by striking out

"(j) Application for abandonment."

and inserting in lieu thereof

"(j) Terminations, reductions, and suspensions of service.".

ADDITIONAL POWERS AND DUTIES OF BOARD WITH RESPECT TO CHARTER AIR CARRIERS

SEC. 20. (a) The center heading for section 401(n) of the Federal Aviation Act of 1958 is amended by striking out "SUPPLEMENTAL" and inserting in lieu thereof "CHARTER". 49 USC 1371.

(b) Paragraphs (1) through (4) of section 401(n) of such Act are amended to read as follows:

"(n)(1) No air carrier providing air transportation under a certificate issued under this section shall commingle, on the same flight, passengers being transported in interstate or overseas charter air transportation with passengers being transported in scheduled interstate or overseas air transportation, except that this subsection shall not apply to the carriage of passengers in air transportation under group fare tariffs.

"(2) No rule, regulation, or order issued by the Board shall restrict the marketability, flexibility, accessibility, or variety of charter trips provided under a certificate issued under this section except to the extent required by the public interest, and shall in no event be more restrictive than those regulations regarding charter air transportation in effect on October 1, 1978.

"(3) Notwithstanding any other provision of this title, no certificate issued under this section shall authorize the holder thereof to provide charter air transportation between two points within the State of Alaska unless, and then only to the extent to which, the Board, in issuing or amending such certificate, may authorize after determining that such charter air transportation is required by the public convenience and necessity. This subsection shall not apply to a certificate issued under this section to a person who, before July 1, 1977, maintained its principal place of business within the State of Alaska and conducted air transport operations between points within the State of Alaska with aircraft having a certificated gross takeoff weight of more than 40,000 pounds.

"(4) No certificate issued under this section shall permit a charter air carrier to sell or offer for sale an inclusive tour in air transportation by selling or offering for sale individual tickets directly to members of the general public, or to do so indirectly by controlling, being controlled by, or under common control with, a person authorized by the Board to make such sales.".

49 USC 1371.

(c) Paragraph (5) of section 401(n) of such Act is amended—

(1) in the first sentence, by striking out "a supplemental air carrier to comply with the provisions of paragraph (1), (3), or (4) of this subsection" and inserting in lieu thereof "a charter air carrier to comply with the provisions of subsection (q) or (r) of this section"; and

(2) in the last sentence, by striking out "paragraphs (1), (3), and (4) of this subsection" and inserting in lieu thereof "subsections (q) and (r) of this section".

(d)(1) Section 401 of such Act is amended by adding at the end thereof the following new subsections:

"INSURANCE AND LIABILITY

"(q)(1) No certificate shall be issued or remain in effect unless the applicant for such certificate or the air carrier, as the case may be, complies with regulations or orders issued by the Board governing the filing and approval of policies of insurance or plans for self-insurance in the amount prescribed by the Board which are conditioned to pay, within the amount of such insurance, amounts for which such applicant or such air carrier may become liable for bodily injuries to or the death of any person, or for loss of or damage to property of others, resulting from the operation or maintenance of aircraft under such certificate.

"(2) In order to protect travelers and shippers by aircraft operated by certificated air carriers, the Board may require any such air carrier to file a performance bond or equivalent security arrangement, in such amount and upon such terms as the Board shall prescribe, to be conditioned upon such air carrier's making appropriate compensation to such travelers and shippers, as prescribed by the Board, for failure on the part of such carrier to perform air transportation services in accordance with agreements therefor.

"CONTINUING REQUIREMENT

"(r) The requirement that each applicant for a certificate or any other authority under this title must be found to be fit, willing, and able to perform properly the transportation covered by its application and to conform to the provisions of this Act and the rules, regulations, and requirements of the Board under this Act, shall be a continuing requirement applicable to each such air carrier with respect to the transportation authorized by the Board. The Board shall by order, entered after notice and hearing, modify, suspend, or revoke such certificate or other authority, in whole or in part, for failure of such air carrier to comply with the continuing requirement that the air carrier be so fit, willing, and able, or for failure to file such reports as the Board may deem necessary to determine whether such air carrier is so fit, willing, and able.".

Notice and hearing.

(2) That portion of the table of contents contained in the first section of such Act which appears under the side heading

"Sec. 401. Certificates of public convenience and necessity."

is amended—

(A) by striking out

"(n) Additional powers and duties of Board with respect to supplemental air carriers."

and inserting in lieu thereof

"(n) Additional powers and duties of Board with respect to charter air carriers.";

and

(B) by adding at the end thereof

"(q) Insurance and liability.
"(r) Continuing requirement.".

PROCEDURES FOR PROCESSING APPLICATIONS

SEC. 21. (a) (1) Section 401 of the Federal Aviation Act of 1958 (49 U.S.C. 1371) is amended by adding at the end thereof the following new subsection:

"PROCEDURES FOR PROCESSING APPLICATIONS FOR CERTIFICATES

"(p) (1) The Board shall promulgate rules establishing simplified procedures for— Rules.

"(A) the disposition of applications for a certificate to engage in air transportation pursuant to subsection (d) (1), (2), or (3) of this section; and *Ante*, p. 1712.

"(B) the alteration, amendment, modification, suspension, or transfer of all or any part of any certificate pursuant to subsection (f), (g), or (h) of this section. 49 USC 1371.

Such rules shall provide for adequate notice and an opportunity for any interested person to file appropriate written evidence and argument, but need not provide for oral evidentiary hearings. Such rules may provide that such written evidence and argument shall be filed by such person as part of a protest or memorandum filed with respect to such application under subsection (c) of this section.

"(2) The Board may use such simplified procedures in any case if the Board determines that the use of such simplified procedures is in the public interest. The rules adopted by the Board pursuant to this subsection shall, to the extent the Board finds it practicable, set forth the standards it intends to apply in determining whether to employ such simplified procedures, and in deciding cases in which such procedures are employed.".

(2) That portion of the table of contents contained in the first section of such Act which appears under the side heading

"Sec. 401. Certificate of public convenience and necessity."

is amended by inserting at the end thereof

"(p) Procedures for processing applications for certificates.".

(b) (1) Section 402 of the Federal Aviation Act of 1958 (49 U.S.C. 1372) is amended by adding at the end thereof the following new subsection:

"PROCEDURES FOR PROCESSING APPLICATIONS FOR PERMITS

Rules. "(h) The Board shall promulgate rules establishing simplified procedures for—

"(1) the disposition of applications for a permit to engage in foreign air transportation pursuant to this section; and

"(2) the alteration, amendment, modification, suspension, or transfer of all or any part of any permit pursuant to subsection (f) of this section.

Notice. Such rules shall provide for adequate notice and an opportunity for all interested persons to file appropriate written evidence and argument, but need not provide for oral evidentiary hearings.".

(2) That portion of the table of contents contained in the first section of such Act which appears under the side heading

"Sec. 402. Permits to foreign air carriers."

is amended by inserting at the end thereof

"(h) Procedures for processing applications for permits.".

NOTICE OF TARIFF CHANGES

SEC. 22. Section 403(c) of the Federal Aviation Act of 1958 (49 U.S.C. 1373(c)) is amended to read as follows:

"NOTICE OF TARIFF CHANGES

"(c)(1) Except as provided in paragraph (2) of this subsection, no change shall be made in any rate, fare, or charge, or any classification, rule, regulation, or practice affecting such rate, fare, or charge, or the value of the service thereunder, specified in any effective tariff of any air carrier until thirty days after notice of the proposed change has been filed, posted, and published in accordance with subsection (a) of this section, except the Board may establish an alternative notice requirement, of not less than twenty-five days, to allow an air carrier to match the fares or charges specified in another air carrier's proposed tariff. Any notice specified under this subsection shall plainly state the change proposed to be made and the time such change will take effect.

"(2) If the effect of any proposed tariff change would be to institute a fare that is outside of the applicable range of fares specified in subparagraphs (A) and (B) of section 1002(d)(4) of this Act, or specified by the Board under section 1002(d)(7) of this Act, or would be to institute a fare to which such range of fares does not apply, then such proposed change shall not be implemented except after sixty days' notice filed in accordance with regulations prescribed by the Board.

"(3) In exercising its power to suspend tariffs under sections 1002(g) and 1002(j) of this Act, the Board shall file and deliver a statement in writing of its reasons for such suspension, as required under section 1002(g), at least thirty days before the date on which the affected tariff would otherwise go into effect.".

49 USC 1482.

RATES OF CARRIAGE FOR PERSONS AND PROPERTY

SEC. 23. Section 404(a)(1) of the Federal Aviation Act of 1958 (49 U.S.C. 1374(a)(1)) is amended by inserting "authorized to engage in scheduled air transportation by certificate or by exemption under section 416(b)(3) of this title" immediately before the first semicolon.

49 USC 1386.

MAIL AND COMPENSATION

SEC. 24. (a)(1) Clause (3) of the second sentence of section 406(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1376(b)) is amended to read as follows: "(3) the need of each such air carrier (other than a charter air carrier) for compensation for the transportation of mail sufficient to insure the performance of such service, and—

"(A) during the period beginning on the date of enactment of this clause and ending on January 1, 1983, both dates inclusive, together with all other revenue of the air carrier from the service for which the compensation is being paid; and

"(B) after January 1, 1983, together with all other revenue of the air carrier;

to enable such air carrier under honest, economical, and efficient management, to provide (except for modifications with respect to an individual point determined after January 1, 1983, to be required by the public interest, after giving interested parties an opportunity for an evidentiary hearing with respect to air transportation for such individual point) air transportation of at least the same extent, character, and quality as that provided during the year ending December 31, 1977, to maintain and continue the development of air transportation to the extent and of the character and quality required for the commerce of the United States, the Postal Service, and the national defense.".

(2) Section 406(b) of the Federal Aviation Act of 1958 is amended by inserting after the second sentence the following new sentences: "Notwithstanding any other provision of this section, rates of compensation paid to any carrier under this section for service performed between the date of enactment of this sentence and January 1, 1983, shall be based on the subsidy need of such carrier with respect to service performed to points for which such carrier was entitled to receive compensation for serving during calendar year 1977. In the case of any local service carrier, such subsidy need shall be based on the adjusted eligible need of such carrier determined in a matter consistent with the provisions of Local Service Class Subsidy Rate VIII, with technical adjustments, and in the case of any other carrier receiving compensation during the twelve months ended June 30, 1978, such subsidy need shall be determined pursuant to the method in effect during the twelve months ended June 30, 1978. Any air carrier receiving compensation from the Board pursuant to this section which, before January 1, 1986, terminates service to a point for which such compensation is paid shall not, if such service is resumed by such air carrier, be eligible for compensation from the Board under this section for such service. Nothing in this subsection shall be construed as prohibiting any air carrier specified in the preceding sentence from applying for and receiving compensation for such service under section 419 of this title.".

(b) Subsection (c) of such section 406 (49 U.S.C. 1376(c)) is amended by adding at the end thereof the following new sentence: "The Board shall make no payments under this section for any services performed after January 1, 1986.".

LOCAL SERVICE AIR CARRIER COMPENSATION

SEC. 25. (a) The last sentence of section 406(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1376(b)) is amended as follows:

(1) By striking out "the year 1966" and inserting in lieu thereof "the years 1964, 1965, and 1966".

(2) By striking out "Rate III–A" and inserting in lieu thereof "Rates III and III–A".

(3) By striking out "order E–23850 (44 CAB 637 et seq.)" and inserting in lieu thereof "orders E–21311 and E–22350 (41 CAB 138 et seq. and 44 CAB 637 et seq.)".

49 USC 1376 note.

(b) Section 12(b) of Public Law 95–163, Ninety-fifth Congress, approved November 9, 1977, is amended by striking out "the year 1966" and inserting in lieu thereof "the year 1964, 1965, or 1966".

MERGERS AND CONTROL

SEC. 26. (a) Section 408 of the Federal Aviation Act of 1958 (49 U.S.C. 1378) is amended as follows:

(1) Subsection (a) of such section 408 (49 U.S.C. 1378(a)) is amended to read as follows:

"ACTS PROHIBITED

"SEC. 408. (a) Except as provided in subsection (b) of this section, it shall be unlawful—

"(1) for two or more air carriers, or for any air carrier and any other common carrier or any person substantially engaged in the business of aeronautics, to consolidate or merge their properties, or a substantial portion thereof, into one person for the ownership, management, or operation of the properties previously in separate ownerships;

"(2) for any air carrier, any person controlling an air carrier, any other common carrier, or any person substantially engaged in the business of aeronautics, to purchase, lease, or contract to operate all or a substantial portion of the properties of any air carrier;

"(3) for any air carrier or person controlling an air carrier to purchase, lease, or contract to operate all or a substantial portion of the properties of any person substantially engaged in the business of aeronautics otherwise than as an air carrier;

"(4) for any foreign air carrier or person controlling a foreign air carrier to acquire control in any manner whatsoever of any citizen of the United States substantially engaged in the business of aeronautics;

"(5) for any air carrier or person controlling an air carrier, any other common carrier, or any person substantially engaged in the business of aeronautics to acquire control of any air carrier in any manner whatsoever;

"(6) for any air carrier or person controlling a certificated air carrier to acquire control, in any manner whatsoever, of any person substantially engaged in the business of aeronautics other than as an air carrier; or

"(7) for any person to continue to maintain any relationship established in violation of any of the foregoing paragraphs of this subsection.".

(2) Subsection (b) of such section 408 (49 U.S.C. 1378(b)) is amended to read as follows:

"POWER OF BOARD

"(b)(1) In any case in which one or more of the parties to a consolidation, merger, purchase, lease, operating contract, or acquisition of control, specified in subsection (a) of this section is an air carrier

holding a valid certificate issued by the Board under section 401(d) of this section to engage in interstate or overseas air transportation, a foreign air carrier, or a person controlling, controlled by, or under common control with, such an air carrier or a foreign air carrier, the person seeking approval of such transaction shall present an application to the Board, and, at the same time, a copy to the Attorney General and the Secretary of Transportation, and thereupon the Board shall notify the persons involved in the transaction and other persons known to have a substantial interest in the proceeding, of the manner in which the Board will proceed in disposing of such application. Unless, after a hearing, the Board finds that the transaction will not be consistent with the public interest or that the conditions of this section will not be fulfilled, it shall, by order, approve such transaction, upon such terms and conditions as it shall find to be just and reasonable and with such modifications as it may prescribe, except the Board shall not approve such transaction— *Ante*, p. 1712.

"(A) if it would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of air transportation in any region of the United States; or Monopolization.

"(B) the effect of which in any region of the United States may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless the Board finds that the anticompetitive effects of the proposed transaction are outweighed in the public interest by the probable effect of the transaction in meeting significant transportation conveniences and needs of the public, and unless it finds that such significant transportation conveniences and needs may not be satisfied by a reasonably available alternative having materially less anticompetitive effects. Competition.

The party challenging the transaction shall bear the burden of proving the anticompetitive effects of such transaction, and the proponents of the transaction shall bear the burden of proving that it meets the significant transportation conveniences and needs of the public and that such conveniences and needs may not be satisfied by a less anticompetitive alternative.

"(2) In any case in which the Board determines that the transaction which is the subject of the application does not affect the control of an air carrier directly engaged in the operation of aircraft in air transportation, and determines that neither the Attorney General, nor the Secretary, nor any other person disclosing a substantial interest in the transaction then currently is requesting a hearing, the Board, no sooner than 30 days after publication in the Federal Register of notice of the Board's intention to dispose of such application without a hearing (a copy of which notice shall be furnished by the Board to the Attorney General and the Secretary not later than the day following the date of such publication), may determine that the public interest does not require a hearing and, in accordance with the standards set forth in subparagraphs (A) and (B) of paragraph (1) of this subsection, by order, approve or disapprove such transaction. Notice. Publication in Federal Register.

"(3)(A) In any case in which none of the parties to a consolidation, merger, purchase, lease, operating contract, or acquisition of control, specified in subsection (a) of this section, is an air carrier holding a valid certificate issued by the Board under section 401(d) of this title to engage in interstate or overseas air transportation, a foreign air carrier, or a person controlling, controlled by, or under common control with, such an air carrier or a foreign air carrier, any person seeking

approval of such transaction shall file with the Board not later than the forty-fifth day before the effective date of such transaction, a statement of its intent to enter into any of the prohibited acts set forth in subsection (a) of this section. The Board may, within forty-five days after the date of such filing, require such person to file an application for approval pursuant to the requirements of paragraph (1) of this subsection if it finds either that the proposed transaction may monopolize, tend to monopolize, or otherwise restrain competition in air transportation in any section of the country or that the person may not be fit, willing, and able to properly perform the transportation authorized by any license which is a part of such transaction and to conform to the provisions of this Act and the rules, regulations, and requirements of the Board issued pursuant to this Act. Subject to subparagraph (B) of this paragraph, if the Board fails to require such person to file an application pursuant to such paragraph (1) within such forty-five days, the proposed transaction shall not be subject to subsection (a) of this section.

Application filing.

"(B) If the Board determines that any transaction is not subject to subsection (a) of this section as a result of the last sentence of subparagraph (A) of this paragraph and such transaction received such statutory exemption due to any fraud, misrepresentation, or omission of relevant and material facts, the Board may, pursuant to rules which it is authorized to prescribe, make such transaction subject to subsection (a) of this section.".

49 USC 1378.

(b) Section 408(c) of such Act is amended by inserting "any person controlling such air carrier," after "air carrier," the first place it appears in such subsection.

INTERLOCKS

SEC. 27. (a) Section 409 of the Federal Aviation Act of 1958 (49 U.S.C. 1379) is amended by striking out the center heading of such section and the center heading for subsection (a) of such section and inserting in lieu thereof the following section center heading:

"INTERLOCKING RELATIONSHIPS".

(b) Section 409 of the Federal Aviation Act of 1958 is also amended by striking out "SEC. 409. (a)" and inserting in lieu thereof "SEC. 409.".

(c) Section 409 (as amended by subsections (a) and (b) of this section) is amended as follows:

(1) Paragraphs (1), (2), and (3) are each amended by striking out "is engaged in any phase of" and inserting in lieu thereof "is substantially engaged in the business of".

(2) Paragraphs (4), (5), and (6) are each amended by striking out "engaged in any phase of" and inserting in lieu thereof "substantially engaged in the business of".

Repeal.

(d) Section 409(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1379(b)) is hereby repealed.

(e) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the center heading

"TITLE IV—AIR CARRIER ECONOMIC REGULATION"

is amended by striking out

"Sec. 409. Prohibited interests.
"(a) Interlocking relationships.
"(b) Profit from transfer of securities."

and inserting in lieu thereof

"Sec. 409. Interlocking relationships.".

AGREEMENTS

SEC. 28. (a) Section 412(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1382(a)) is amended—

(1) by inserting in the subsection center heading "AFFECTING FOREIGN AIR TRANSPORTATION" immediately after "AGREEMENTS"; and

(2) by inserting "foreign" immediately after "affecting".

(b) Section 412(b) of such Act is amended by inserting "affecting foreign air transportation" immediately after "agreement" each place it appears in such section.

(c) Section 412 of such Act is further amended by adding at the end thereof the following new subsections:

"FILING AND APPROVAL OF AGREEMENTS AFFECTING INTERSTATE OR OVERSEAS AIR TRANSPORTATION

"(c)(1) Any air carrier may file with the Board a true copy, or, if oral, a true and complete memorandum, of any contract or agreement (whether enforceable by provisions for liquidated damages, penalties, bonds, or otherwise), or a request for authority to discuss possible cooperative working arrangements, affecting interstate or overseas air transportation and in force on the effective date of this subsection, or thereafter entered into, or any modification or cancellation thereof, between such air carrier and any other air carrier, foreign air carrier, or other carrier.

"(2)(A) The Board shall by order disapprove any contract, agreement, or request filed pursuant to paragraph (1) of this subsection, whether or not previously approved by it, that it finds to be adverse to the public interest or in violation of this Act, and shall by order approve any contract, agreement, or request, or any modification or cancellation thereof, that it does not find to be adverse to the public interest, or in violation of this Act, except that—

"(i) the Board may not approve or, after periodic review, continue its approval of any such contract, agreement, or request, or any modification or cancellation thereof, which substantially reduces or eliminates competition, unless it finds that the contract, agreement, or request is necessary to meet a serious transportation need or to secure important public benefits and it does not find that such need can be met or such benefits can be secured by reasonably available alternative means having materially less anticompetitive effects;

"(ii) the Board may not approve any contract or agreement between an air carrier not directly engaged in the operation of aircraft in air transportation and a common carrier subject to the Interstate Commerce Act, as amended, governing the compensation to be received by such common carrier for transportation services performed by it; and

"(iii) the Board may not approve any such contract or agreement, or any modification or cancellation thereof, that limits the level of capacity among air carriers in markets in which they compete, that fixes rates, fares, or charges between or among air carriers (except for joint rates, fares, or charges).

"(B) In any proceeding before the Board involving the application of the standards set forth in subparagraph (A)(i) of this paragraph, the party opposing the proposed contract, agreement, or request shall have the burden of proving the reduction or elimination of competition, and the availability of alternative means having less anticompeti-

tive effects, and the party defending the proposed contract, agreement, or request shall have the burden of proving transportation need or public benefits.

"(C) The findings required by subparagraph (A)(i) of this paragraph, shall be included in any order of the Board approving or disapproving any contract or agreement, or any memorandum of any contract or agreement, or any modification or cancellation thereof, or any request.

"PROCEEDINGS UPON FILING

Written notice.

"(d) Upon the filing of any contract or agreement, or any modification or cancellation thereof, or any request for authority to discuss possible cooperative working arrangements, pursuant to subsection (a) or (c) of this section, the Board, in accordance with regulations which it prescribes, shall provide to the Attorney General and the Secretary of Transportation written notice of, and an opportunity to submit written comments on, the filed document. The Board may, upon its own initiative or if requested by the Attorney General or such Secretary, hold a hearing, in accordance with regulations prescribed by the Board, to determine if a contract or agreement, or request for discussion authority, whether or not previously approved, is consistent with the provisions of this Act.".

Hearings.

(d) That portion of the table of contents which appears under the side heading

"Sec. 412. Pooling and other agreements."

is amended by striking out

"(a) Filing of agreements required.
"(b) Approval by Board."

and inserting in lieu thereof

"(a) Filing of agreements affecting foreign air transportation required.
"(b) Approval by Board.
"(c) Filing and approval of agreements affecting interstate or overseas air transportation.
"(d) Proceedings upon filing.".

MUTUAL AID AGREEMENTS

SEC. 29. (a) Section 412 of the Federal Aviation Act of 1958 (49 U.S.C. 1382) is amended by adding at the end thereof the following new subsection:

"MUTUAL AID AGREEMENTS

"(e)(1) Notwithstanding any other provision of law, any mutual aid agreement between air carriers which was approved by the Board before the date of enactment of this subsection and which is in effect on such date of enactment shall be deemed disapproved and not in effect on and after such date of enactment.

"(2) No air carrier shall enter into any mutual aid agreement with any other air carrier, unless such air carrier files a true copy of such agreement with the Board and the Board approves such agreement pursuant to the provisions of this section. Notwithstanding subsection (c) of this section, the Board shall not approve any such agreement unless such agreement provides (A) that any air carrier will not receive payments for any period which exceed 60 per centum of the direct operating expenses during such period, (B) that benefits under the agreement are not payable for more than eight weeks during any labor strike, and that such benefits may not be for losses incurred

during the first thirty days of any labor strike, and (C) that any party to such agreement will agree to submit the issues causing any labor strike to binding arbitration pursuant to the Railway Labor Act if the striking employees request such binding arbitration.

"(3) For purposes of this subsection, the term— 45 USC 151.

"(A) 'mutual aid agreement' means any contract or agreement between air carriers which provides that any such air carrier will receive payments from the other air carriers which are parties to such contract or agreement for any period during which such air carrier is not engaging in air transportation, or is providing reduced levels of service in air transportation, due to a labor strike; and "Mutual aid agreement."

"(B) 'direct operating expenses' includes interest expenses but does not include depreciation or amortization expenses.". "Direct operating expenses."

(b) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the side heading

"Sec. 412. Pooling and other agreements."

is amended by inserting at the end thereof

"(e) Mutual aid agreements.".

ANTITRUST EXEMPTION

SEC. 30. (a) Section 414 of the Federal Aviation Act of 1958 (49 U.S.C. 1384) is amended to read as follows:

"ANTITRUST EXEMPTION

"SEC. 414. In any order made under section 408, 409, or 412 of this Act, the Board may, as part of such order, exempt any person affected by such order from the operations of the 'antitrust laws' set forth in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12) to the extent necessary to enable such person to proceed with the transaction specifically approved by the Board in such order and those transactions necessarily contemplated by such order, except that the Board may not exempt such person unless it determines that such exemption is required in the public interest.". 49 USC 1378, 1379, 1382.

(b) That portion of the table of contents contained in the first section of such Act which appears under the center heading

"TITLE IV—AIR CARRIER ECONOMIC REGULATION"

is amended by striking out

"Sec. 414. Legal restraints."

and inserting in lieu thereof

"Sec. 414. Antitrust exemption.".

EXEMPTION AUTHORITY

SEC. 31. (a) Section 416(b)(1) of the Federal Aviation Act of 1958 (49 U.S.C. 1386(b)(1)) is amended to read as follows:

"EXEMPTIONS

"(b)(1) Except as provided in paragraph (2) of this subsection, the Board, from time to time and to the extent necessary, may exempt from the requirements of this title or any provision thereof, or any rule,

regulation, term, condition, or limitation prescribed thereunder, any person or class of persons if it finds that the exemption is consistent with the public interest.

49 USC 1386. (b) Section 416(b) of such Act is amended by adding at the end thereof the following new paragraph:

"(3) The Board may by order relieve foreign air carriers who are not directly engaged in the operation of aircraft in foreign air transportation from the provisions of this Act to the extent and for such periods as such relief may be in the public interest.".

COMMUTER EXEMPTION

SEC. 32. Section 416(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1386(b)) is further amended by adding at the end thereof the following new paragraphs:

"(4) Subject to paragraph (5) of this subsection, any air carrier in air transportation which provides (A) passenger service solely with aircraft having a maximum passenger capacity of less than fifty-six passengers, or (B) cargo service in air transportation solely with aircraft having a maximum payload capacity of less than eighteen thousand pounds, shall be exempt from the requirements of subsection (a) of section 401 of this title, and of such other sections of this Act as may be prescribed in regulations promulgated by the Board, if such air carrier conforms to such liability insurance requirements and such other reasonable regulations as the Board shall from time to time adopt in the public interest. The Board may by regulation increase the passenger or property capacities specified in this paragraph when the public interest so requires.

49 USC 1371.

"(5) The exemption from section 401 of this title or any other requirement of this Act shall not apply to any air transportation by any air carrier between points both of which are in the State of Alaska, or one of which is in the State of Alaska and the other in Canada, unless such air carrier also holds authority to provide such air transportation from the State of Alaska.

"(6) Any air carrier operating within the State of Alaska pursuant to the exemption from section 401 of this title shall not be subject to any limitation, promulgated by the Board, on the number or location of points to be served by such air carrier, or any limitation on the frequency of service by such air carrier to points within such State, unless the Board, after a hearing, finds that the operation of such air carrier substantially impairs the ability of a certificated air carrier to provide the service authorized by its certificate, including but not limited to, the minimum service requirement for such State specified in section 419(c)(2) of this title.".

Infra.

SMALL COMMUNITY AIR SERVICE

SEC. 33. (a) Title IV of the Federal Aviation Act of 1958 is amended by adding at the end thereof the following new section.

"SMALL COMMUNITY AIR SERVICE

"GUARANTEED ESSENTIAL AIR TRANSPORTATION

"Eligible point." 49 USC 1389.

"SEC. 419. (a)(1) For purposes of this subsection, the term 'eligible point' means any point in the United States to which, on the date of enactment of this section, any air carrier—

"(A) is providing service pursuant to a certificate issued to such carrier under section 401 of this title; or

"(B) is authorized pursuant to such certificate to provide such service, but such service is suspended on such date of enactment.

"(2)(A) With respect to each eligible point which on the date of enactment of this section is served by not more than one air carrier holding a certificate issued under section 401 of this title, not later than the last day of the one-year period beginning on such date of enactment, the Board, after considering the views of any interested community and the State agency of the State in which such community is located, shall determine what is essential air transportation for such point. 49 USC 1371.

"(B) With respect to any eligible point which on the date of enactment of this section is served by more than one air carrier holding a certificate issued under section 401 of this title and which thereafter receives service by not more than one such air carrier, not later than the last day of the six-month period beginning on the date on which the Board receives notice that service to such point will be provided by not more than one such air carrier, the Board, after considering the views of any interested community and the State agency of the State in which such community is located, shall determine what is essential air transportation to such point.

"(C) The Board shall periodically review the determination of what is essential air transportation to each eligible point, and may, based upon such review and consultations with any interested community and the State agency of the State in which such community is located, make appropriate adjustments as to what is essential air transportation to such point. Review.

"(3) No air carrier shall terminate, suspend, or reduce air transportation to any eligible point below the level of essential air transportation established by the Board under paragraph (2) unless such air carrier—

"(A) if such air carrier—

"(i) holds a certificate issued under section 401 of this title, or

"(ii) does not hold such a certificate, but is receiving compensation pursuant to paragraph (5) of this subsection for service to such eligible point,

has given the Board, the appropriate State agency or agencies, and the communities affected at least ninety days notice prior to such termination, suspension, or reduction; and

"(B) if such air carrier does not hold such a certificate and is not receiving compensation pursuant to paragraph (5) of this subsection for service to such eligible point, has given the Board, the appropriate State agency or agencies, and the communities affected at least thirty days notice prior to such termination, suspension, or reduction.

"(4) Whenever the Board determines that essential air transportation will not be provided to any eligible point without compensation—

"(A) the Board shall provide notice that applications may be submitted by any air carrier which is willing to provide essential air transportation to such point for compensation under this subsection. In selecting an applicant to provide essential air transportation to such point for compensation the Board shall, among other factors, specifically consider—

"(i) the desirability of developing an integrated linear system of air transportation whenever such a system most adequately meets the air transportation needs of the communities involved;

"(ii) the experience of the applicant in providing scheduled air service in the vicinity of the communities for which essential air transportation is proposed to be provided; and

"(iii) notwithstanding the provisions of clause (ii), with respect to any eligible point in the State of Alaska, the experience of an applicant in providing scheduled air service, or significant patterns of nonscheduled air service pursuant to an exemption granted pursuant to section 416 of this title, in Alaska; and

49 USC 1386.

Compensation rate, establishment.

"(B) the Board shall establish, in accordance with the guidelines promulgated under subsection (d) of this section, a rate of compensation to be paid for providing such essential air transportation.

"(5) The Board shall make payments of compensation under this subsection at times and in a manner determined by the Board to be appropriate. The Board shall continue to pay compensation to any air carrier to provide essential air transportation to any eligible point only for so long as the Board determines it is necessary in order to maintain essential air transportation to such eligible point.

Service extension.
Ante, p. 1720.

"(6) Notwithstanding section 401(j) of this title, if an air carrier has provided notice to the Board under paragraph (3) of such air carrier's intention to suspend, terminate, or reduce service to any eligible point below the level of essential air transportation to such point, and if at the conclusion of the applicable period of notice the Board has not been able to find another air carrier to provide essential air transportation to such point, the Board shall require the carrier which provided such notice to continue such service to such point for an additional 30-day period, or until another air carrier has begun to provide essential air transportation to such point, whichever first occurs. If at the end of such 30-day period the Board determines that no other air carrier can be secured to provide essential air transportation to such eligible point on a continuing basis, either with or without compensation, then the Board shall extend such requirement for such additional 30-day periods (making the same determination at the end of each such period) as may be necessary to continue air transportation to such eligible point until an air carrier can be secured to provide essential air transportation to such eligible point on a continuing basis.

"(7)(A) If any air carrier (i) which is providing air transportation to any eligible point, and (ii) which is receiving compensation under this subsection or under section 406 of this title for providing such air transportation to such point, is required by the Board to continue service to such point beyond the date on which such air carrier would, but for paragraph (6) of this subsection, be able to suspend, terminate, or reduce service to such point below the level of essential air transportation to such point, then after such date such air carrier shall continue to receive such compensation until the Board finds another air carrier to provide essential air transportation to such point.

49 USC 1376.

Losses, compensation.
49 USC 1371.

"(B) If the Board requires an air carrier which holds a certificate issued under section 401 of this title and which is providing air transportation to any eligible point without compensation pursuant to paragraph (5) of this subsection or section 406 of this title to continue to provide essential air transportation to such point beyond the 90-day notice period after which, but for paragraph (6) of this subsection, such air carrier would be able to suspend, terminate, or reduce service to such point below essential air transportation for such point, then the Board shall compensate such air carrier for any losses that the air carrier incurs in complying with this subparagraph after the last day of such 90-day period, except that the Board shall not make any pay-

ments under this subparagraph, to any trunk air carrier for service to such point after the last day of the one-year period beginning on the date on which any payment is made to such air carrier under this subparagraph for service to such point.

"(C) If the Board requires an air carrier which does not hold a certificate issued under section 401 of this title, but which is providing air transportation to any eligible point without compensation pursuant to paragraph (5) of this subsection or section 406 of this title to continue to provide essential air transportation to such point beyond the 30-day notice period after which, but for paragraph (6) of this subsection, such air carrier would be able to suspend, terminate, or reduce service to such point below essential air transportation for such point, then the Board shall compensate such air carrier for any losses that such air carrier incurs in complying with this paragraph after the last day of such 30-day period. 49 USC 1371. 49 USC 1376.

"(9) During any period for which the Board requires any air carrier to continue providing air transportation to an eligible point which such air carrier has proposed to terminate, reduce, or suspend, the Board shall continue to make every effort to secure an air carrier to provide at least essential air transportation to such eligible point, on a continuing basis.

"(10) Unless the Board has determined what is essential air transportation for any eligible point pursuant to paragraph (2) of this subsection, the Board shall, upon petition of any appropriate representative of such point, prohibit any termination, suspension, or reduction of air transportation which reasonably appears to deprive such point of essential air transportation, until the Board has completed such determination. Petition.

"(11)(A) After January 1, 1983, any air carrier may file an application with the Board seeking to have any compensation provided under section 406 of this title to the air carrier then serving an eligible point terminated in order to allow the applicant air carrier to provide air transportaton to that eligible point for compensation under this section. The Board shall grant such application, after notice and a hearing if requested by the air carrier receiving subsidy under section 406, taking into consideration the objectives specified in subparagraphs (A) (i) and (ii) of paragraph (5) of this subsection, if the applicant can show that termination of the compensation being paid under section 406, and that the provision of service by such applicant with compensation under this section, will result in a substantial— Application. Notice and hearing.

"(i) improvement in the air service being provided such eligible point; and

"(ii) decrease in the amount of compensation that will be required to continue essential air transportation to such eligible point.

"(B) After January 1, 1983, any air carrier may file an application with the Board seeking to have the compensation provided under this section to the air carrier then serving an eligible point, and which has been serving such eligible point for at least two years preceding the date on which such application is filed, terminated in order to allow the applicant air carrier to provide essential air transportation to such eligible point for compensation under this section. The Board shall grant such application, after notice and a hearing if requested by an air carrier receiving compensation under this section, taking into consideration the objectives specified in subparagraphs (A) (i) and (ii) of paragraph (4) of this subsection, if the applicant air carrier can show that termination of the compensation being provided to the air carrier Application. Notice and hearing.

then serving such eligible point, and the provision of essential air transportation for compensation under this section by the applicant air carrier will result in a substantial—

"(i) improvement in the air transportation being provided such eligible point with no increase in the amount of compensation then being paid; or

"(ii) decrease in the amount of compensation that will be required to continue essential air transportation to that eligible point.

"(C) In disposing of each application filed under this subsection, the Board shall, in addition to considering the objectives specified in subparagraphs (A) (i) and (ii) of paragraph (4), solicit and give great weight to the opinions of the communities affected by the proposed replacement of an air carrier under this subsection.

"OTHER AIR SERVICE

"Eligible point."

"(b)(1) For purposes of this subsection, the term 'eligible point' means—

"(A) any point in the United States which has been deleted from a certificate issued under section 401 of this title between July 1, 1968, and the date of enactment of this section, both dates inclusive, and which the Board designates pursuant to paragraph 2 of this subsection; and

49 USC 1371.

"(B) any other point in the State of Alaska or Hawaii designated by the Board under paragraph 2 of this subsection.

Eligible point designation, rules.

"(2)(A) Not later than January 1, 1980, after considering the views of State agencies and other interested parties, the Board shall, by rule, establish objective criteria for designating points as eligible points. In establishing or modifying such criteria, the Board shall consider, among other factors, the level of traffic generated by the point concerned, its future traffic generating potential, the cost to the Federal Government of providing essential air transportation to such point, the alternative means of transportation available to the residents of such point for access to the national transportation system and its principal communities of interest, and the degree of isolation of such point from the national air transportation system. The Board may, from time to time, by rule, modify the criteria established by it under this subparagraph.

Review.

"(B) Not later than January 1, 1980, the Board shall begin to review each point described in paragraph (1)(A) of this subsection to determine whether such point shall be designated as an eligible point under the criteria established under subparagraph (B) of this paragraph. The review and designation of each such point shall be completed before January 1, 1982.

"(C) On or after January 1, 1982, the Board, upon application by any interested party, may designate any point an eligible point under the criteria established under subparagraph (B) of this paragraph (i) if such point is in the State of Alaska or the State of Hawaii, and (ii) if such designation would not increase the total number of points receiving a subsidy under this section and section 406 of this title above the total number of points receiving a subsidy under such section 406 on July 1, 1968.

49 USC 1376.

Withdrawal.

"(3) The designation of any point by the Board under paragraph (2) of this subsection as an eligible point may be withdrawn if the point no longer meets the criteria for designation as an eligible point.

"(4)(A) With respect to any point which the Board designates as an eligible point pursuant to paragraph (2) of this subsection, not later than the last day of the six-month period beginning on the date on which the Board makes such designation, the Board, after considering the views of any interested community and the State agency of the State in which such community is located, shall determine what is essential air transportation to such point. Determination, consultation.

"(B) The Board shall periodically review the determination of what is essential air transportation to each eligible point, and may, based upon such review and consultations with any interested community and any State agency of the State in which such community is located, make appropriate adjustments as to what is essential air transportation to such point. Review.

"(5) Whenever the Board determines that essential air transportation will not be provided to any eligible point without compensation—

"(A) the Board shall provide notice that applications may be submitted by any air carrier which is willing to provide essential air transportation to such point for compensation under this subsection. In selecting an applicant to provide essential air transportation to such point for compensation, the Board shall, among other factors, specifically consider— Notice. Applicant selection.

"(i) the desirability of developing an integrated linear system of air transportation whenever such a system most adequately meets the air transportation needs of the communities involved;

"(ii) the experience of the applicant in providing scheduled air service in the vicinity of the communities for which essential air transportation is proposed to be provided; and

"(iii) notwithstanding the provisions of clause (ii), with respect to any eligible point in the State of Alaska, the experience of an applicant in providing scheduled air service, or significant patterns of nonscheduled air service pursuant to an exemption granted pursuant to section 416 of this title, in Alaska; and 49 USC 1386.

"(B) the Board shall establish, in accordance with the guidelines promulgated under subsection (d) of this section, a rate of compensation to be paid for providing such essential air transportation. Compensation rate, establishment.

"(6) The Board shall make payments of compensation under this subsection at times and in a manner determined by the Board to be appropriate. The Board shall continue to pay compensation to any air carrier to provide essential air transportation to any eligible point only for so long as the Board determines it is necessary in order to maintain essential air transportation to such eligible point. Payments.

"(7) Prior to terminating, suspending, or reducing essential air transportation to any eligible point, an air carrier— Notice.

"(A) if such air carrier—

"(i) holds a certificate issued under section 401 of this title, or 49 USC 1371.

"(ii) does not hold such a certificate, but is receiving compensation pursuant to paragraph (6) of this subsection for service to such eligible point, shall give the Board, the appropriate State agency or agencies, and the communities affected at least ninety days notice prior to such termination, suspension, or reduction; and

"(B) if such air carrier does not hold such a certificate and is not receiving compensation pursuant to paragraph (6) of this subsection for service to such eligible point, shall give the Board,

the appropriate State agency or agencies, and the communities affected such notice (not to exceed 30 days), as the Board shall by regulation prescribe.

Application.

"(8)(A) After January 1, 1983, any air carrier may file an application with the Board seeking to have the compensation provided under this subsection to the air carrier then serving an eligible point, and which has been serving such eligible point for at least 2 years preceding the date on which such application is filed, terminated in order to allow the applicant air carrier to provide essential air transportation to such eligible point for compensation under this subsection. The Board shall grant such application, after notice and a hearing if requested by an air carrier receiving compensation under this section, taking into consideration the objectives specified in subparagraphs (A) (i) and (ii) of paragraph (5) of this subsection, if the applicant can show that termination of the compensation being provided to the air carrier then serving such eligible point, and that the provision of essential air transportation for compensation under this subsection by the applicant, will result in a substantial—

Notice and hearing.

"(i) improvement in the air transportation being provided such eligible point with no increase in the amount of compensation then being paid; or

"(ii) decrease in the amount of compensation that will be required to continue essential air transportation to that eligible point.

"(B) In disposing of each application filed under this paragraph, the Board shall, in addition to considering the objectives specified in subparagraphs (A) (i) and (ii) of paragraph (5), solicit and give great weight to the opinions of the communities affected by the proposed replacement of an air carrier under this subsection.

"LEVEL OF SAFETY

"Commuter air carrier."

"(c)(1) For purposes of this subsection the term 'commuter air carrier' means an air carrier exempt from any requirement of this Act under section 416(b)(3) of this title.

Ante, p. 1732.

Compensation and service, conditions.

"(2) Notwithstanding section 416(b) of this title, the Board shall not provide any compensation under this section to any commuter air carrier to provide service to any eligible point, and the Board shall prohibit any commuter air carrier from providing service to any eligible point, unless the Board determines that such commuter air carrier—

"(A) is fit, willing, and able to perform such service; and

"(B) that all aircraft which will be used to perform such service and all operations relating to such service will conform to the safety standards established by the Administrator under paragraph (3) of this subsection.

Safety standard regulations.

"(3) Not later than the one-hundred-eightieth day after the date of enactment of this paragraph, the Administrator, by regulation, shall establish safety standards (A) for aircraft being used by commuter air carriers to provide any service described in paragraph (2) of this subsection, and (B) for all operations relating to such service. Such safety standards shall become effective not later than the last day of the eighteenth month which begins after such date of enactment and shall impose requirements upon such commuter air carriers to assure that the level of safety provided to persons traveling on such commuter

air carriers is, to the maximum feasible extent, equivalent to the level of safety provided to persons traveling on air carriers which provide service pursuant to certificates issued under section 401 of this title. 49 USC 1371.

"GUIDELINES FOR COMPENSATION

"(d) The Board shall, by rule, establish guidelines to be used by the Board in computing the fair and reasonable amount of compensation required to insure the continuation of essential air transportation to any eligible point. Such guidelines shall include expense elements based upon representative costs of air carriers providing scheduled air transportation of persons, property, and mail, using aircraft of the type determined by the Board to be appropriate for providing essential air transportation to the eligible point. Rule.

"INSURANCE

"(e) No air carrier shall receive any compensation under this section unless such air carrier complies with regulations or orders issued by the Board governing the filing and approval of policies of insurance or plans for self-insurance in the amount prescribed by the Board which are conditioned to pay, within the amount of such insurance, amounts for which such air carrier may become liable for bodily injuries to or the death of any person, or for loss of or damage to property of others, resulting from the operation or maintenance of aircraft.

"DEFINITION

"(f) For purposes of this section, the term 'essential air transportation' means scheduled air transportation of persons to a point provided under such criteria as the Board determines satisfies the needs of the community concerned for air transportation to one or more communities of interest and insures access to the Nation's air transportation system, at rates, fares, and charges which are not unjust, unreasonable, unjustly discriminatory, unduly preferential, or unduly prejudicial, and— "Essential air transportation."

"(1) with respect to air transportation to any point (other than in the State of Alaska), in no case shall essential air transportation be specified as fewer than two daily round trips, 5 days per week, or the level of service provided by air carriers to such point based on the schedules of such air carriers in effect for calendar year 1977, whichever is less; and

"(2) with respect to air transportation to any point in Alaska, essential air transportation shall not be specified at a level of service less than that which existed for such point during calendar year 1976, or two round trips per week, whichever is greater, unless otherwise specified under an agreement between the Board and the State agency of the State of Alaska, after consultation with the community affected.

"DURATION OF PROGRAM

"(g) This section shall cease to be in effect after the last day of the ten-year period which begins on the date of enactment of this section.".

(b) That portion of the table of contents which appears under the center heading

"TITLE IV—AIR CARRIER ECONOMIC REGULATION

is amended by adding at the end thereof

"Sec. 419. Small community air service.
"(a) Guaranteed essential air transportation.
"(b) Other air service.
"(c) Level of safety.
"(d) Guidelines for compensation.
"(e) Insurance.
"(f) Definitions.
"(g) Duration of program.".

PRESIDENTIAL REVIEW OF INTERNATIONAL ROUTE CASES

SEC. 34. Section 801(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1461(a)) is amended to read as follows:

"THE PRESIDENT OF THE UNITED STATES

"SEC. 801. (a) The issuance, denial, transfer, amendment, cancellation, suspension, or revocation of, and the terms, conditions, and limitations contained in, any certificate authorizing an air carrier to engage in foreign air transportation, or any permit issuable to any foreign air carrier under section 402 of this Act, shall be presented to the President for review. The President shall have the right to disapprove any such Board action concerning such certificates or permits solely upon the basis of foreign relations or national defense considerations which are within the President's jurisdiction, but not upon the basis of economic or carrier selection considerations. Any such disapproval shall be issued in a public document, setting forth the reasons for the disapproval to the extent national security permits, within sixty days after submission of the Board's action to the President. Any such Board action so disapproved shall be null and void. Any such Board action not disapproved within the foregoing time limits shall take effect as action of the Board, not the President, and as such shall be subject to judicial review as provided in section 1006 of this Act.".

49 USC 1372.
Disapproval, issuance.

49 USC 1486.

ASSESSMENT OF CIVIL PENALTIES

SEC. 35. (a) Paragraph (1) of subsection (a) of section 901 of the Federal Aviation Act of 1958 (49 U.S.C. 1471(a)(1)) is amended by inserting after the fourth sentence thereof the following new sentences: "The amount of any such civil penalty for any violation of any provision of title IV of this Act, or any rule, regulation, or order issued thereunder, or under section 1002(i) of this Act, or any term, condition, or limitation of any permit or certificate issued under title IV shall be assessed by the Board only after notice and an opportunity for a hearing and after written notice upon a finding of violation by the Board. Judicial review of any order of the Board assessing such a penalty may be obtained only pursuant to section 1006 of this Act.".

Notice and hearing.

49 USC 1371.
49 USC 1482.

(b) Paragraph (2) of subsection (a) of such section 901 is amended to read as follows:

"(2) Any civil penalty may be compromised by the Secretary of Transportation in the case of violations of title III, V, VI, or XII of this Act, or any rule, regulation, or order issued thereunder, or by the National Transportation Safety Board in the case of violations of title VII of this Act, or any rule, regulation, or order issued thereunder, or by the Postmaster General in the case of regulations issued by him.

Compromise.

49 USC 1341, 1401, 1421, 1441.

The amount of such penalty when finally determined or fixed by order of the Board, or the amount agreed upon in compromise, may be deducted from any sums which the United States owes to the person charged.".

PROCEDURES FOR CIVIL PENALTIES

SEC. 36. (a) The first sentence of subsection (b)(1) of section 903 of the Federal Aviation Act of 1958 (49 U.S.C. 1473(b)(1)) is amended by inserting "or assessed" immediately after "imposed".

(b) The second sentence of subsection (b)(1) of such section 903 is amended by inserting "with respect to proceedings involving penalties other than those assessed by the Board," immediately after "except that".

RATES

SEC. 37. (a) Subsection (d) of section 1002 of the Federal Aviation Act of 1958 (49 U.S.C. 1482(d)) is amended—

(1) in paragraph (1), by inserting "or (4)" immediately after "paragraph (2)"; and

(2) by adding at the end thereof the following new paragraphs:

Unjust or unreasonable fares, findings.

"(4) The Board shall not have authority to find any fare for interstate or overseas air transportation of persons to be unjust or unreasonable on the basis that such fare is too low or too high if—

"(A) with respect to any proposed increase filed with the Board on or after July 1, 1979 (other than any proposed increase in any fare filed by any air carrier if such proposed fare is for air transportation between any pair of points and such air carrier provides air transportation to 70 per centum or more of the persons traveling in air transportation between such points on aircraft operated by air carriers with certificates issued under section 401 of this Act), such proposed fare would not be more than 5 per centum higher than the standard industry fare level for the same or essentially similar class of service, except that, while no increase of any fare within the limits specified in this subparagraph may be suspended, an increase in such fare, above the standard industry fare level shall be found unlawful if that increase results in a fare which is unduly preferential, unduly prejudicial, or unjustly discriminatory; or

49 USC 1371.

"(B) with respect to any proposed decrease filed after the date of enactment of this paragraph, the proposed fare would not be more than 50 per centum lower than the standard industry fare level for the same or essentially similar class of service, except that this provision shall not apply to any proposed decrease in any fare if the Board determines that such proposed fare would be predatory.

In determining whether any fare for air transportation of persons is unjust or unreasonable on the basis that it is too high, the Board shall take into consideration reasonably estimated or foreseeable future costs and revenues for a reasonably limited future period during which the fare at issue would be in effect.

"(5) In any Board proceeding under paragraph (1) of this subsection with respect to interstate or overseas air transportation of persons, the party opposing any fare or charge on the basis that it is too low shall have the burden of proving that the fare or charge is too low.

"Standard industry fare level."

"(6)(A) For purposes of paragraph (4) of this section, 'standard industry fare level' means the fare level (as adjusted only in accordance with subparagraph (B) of this paragraph) in effect on July 1, 1977, for each interstate or overseas pair of points, for each class of

service existing on that date, and in effect on the effective date of the establishment of each additional class of service established after July 1, 1977.

Adjustments.

"(B) The Board shall, not less than semiannually, adjust each standard industry fare level specified in subparagraph (A) by increasing or decreasing such fare level, as the case may be, by the percentage change from the last previous period in the actual operating cost per available seat-mile for interstate and overseas transportation combined. In determining the standard, the Board shall make no adjustment to costs actually incurred.

Service classes, rules.

"(C) Not later than July 1, 1979, the Board shall issue rules modifying the rules governing those classes of service in existence on July 1, 1977, which classes provide lower fare levels during off-peak periods, so as to expand the period of availability of such classes. The Board shall allow any air carrier to establish additional classes of service in accordance with the objectives of subsection (e)(5) of this section or as may be otherwise consistent with the public interest.

Rule.

"(7) The Board may by rule increase the percentage specified in paragraph (4)(B) of this subsection.

Complaint.

"(8) Whenever a complaint is filed with the Board by a civic party under this subsection alleging that any individual or joint fare or charge demanded, charged, collected, or received for interstate or overseas air transportation is or will be unjustly discriminatory, unduly preferential, unduly prejudicial, or predatory, the Board shall grant, deny, or dismiss such complaint within ninety days after such complaint is filed.".

49 USC 1482.

(b) Subsection (e) of such section 1002 is amended to read as follows:

"RULE OF RATEMAKING

"(e) In exercising and performing its power and duties with respect to determining rates, fares, and charges described in paragraph (1) of subsection (d) of this section, the Board shall take into consideration, among other factors—

49 USC 1302.

"(1) the criteria set forth in section 102 of this Act;

"(2) the need for adequate and efficient transportation of persons and property at the lowest cost consistent with the furnishing of such service;

"(3) the effect of prices upon the movement of traffic;

"(4) the desirability of a variety of price and service options such as peak and off-peak pricing or other pricing mechanisms to improve economic efficiency and provide low-cost air service; and

"(5) the desirability of allowing an air carrier to determine prices in response to particular competitive market conditions on the basis of such air carrier's individual costs.".

Uniform method.
49 USC 1482a.

(c)(1) Whenever the Board pursuant to its authority under section 1002 of the Federal Aviation Act of 1958 (49 U.S.C. 1482) prescribes a uniform method generally applicable to the establishment of joint fares, and the divisions thereof, between air carriers holding certificates issued under section 401 of such Act, it shall make such uniform method applicable to the establishment of joint fares, and the divisions thereof, between such air carriers and commuter air carriers. Any commuter air carrier which has an agreement with any air carrier to provide service for persons and property which includes transporta-

49 USC 1371.

Notice.

tion over its routes and transportation by such air carrier in air transportation shall provide at least ninety days notice to such air carrier and to the Board prior to modifying, suspending, or terminating such service, and if such commuter air carrier fails to provide such notice, any uniform method made applicable to the establishment of joint fares, and the divisions thereof, between air carriers and commuter air carriers in accordance with the preceding sentence shall not apply to such commuter air carrier.

(2) For purposes of this subsection— Definitions.

(A) the terms "air carrier" and "Board" have the meanings given such terms in the Federal Aviation Act of 1958; and 49 USC 1301 note.

(B) the term "commuter air carrier" means any air carrier operating pursuant to section 416(b)(3) of the Federal Aviation Act of 1958 (49 U.S.C. 1386(b)(3)) who operates at least five round trips per week between one pair of points, pursuant to flight schedules.

(3) Paragraph (1) of this subsection shall apply to any uniform method described in such paragraph which the Board prescribes on or after December 27, 1974.

TIME REQUIREMENTS

SEC. 38. (a) Title X of the Federal Aviation Act of 1958 (49 U.S.C. 1481 et seq.) is amended by adding at the end thereof the following new section:

"TIME REQUIREMENTS

"SEC. 1010. In the case of any application or other written document submitted to the Board under section 408, 409, 412, or 416 of this Act on or after the one-hundred-eightieth day after the date of enactment of this section, the Board shall— Final order or decision, issuance. 49 USC 1490. 49 USC 1378, 1379, 1382.

"(1) if the Board orders an evidentiary hearing, issue a final order or decision with respect to such written document, not later than the last day of the twelfth month which begins after the submission of such document, except in the case of an application submitted under section 408 of this Act, the Board shall issue its final order or decision not later than the last day of the sixth month after submission; or

"(2) if the Board does not order an evidentiary hearing, issue a final order or decision with respect to such document, not later than the last day of the sixth month which begins after the date of the submission of such document.".

(b) That portion of the table of contents contained in the first section of such Act which appears under the center heading

"TITLE X—PROCEDURE"

is amended by adding at the end thereof

"Sec. 1010. Time requirements.".

WITHHOLDING OF INFORMATION

SEC. 39. Section 1104 of the Federal Aviation Act of 1958 (49 U.S.C. 1504) is amended to read as follows:

"WITHHOLDING OF INFORMATION

49 USC 1504. "SEC. 1104. Any person may make written objection to the public disclosure of information contained in any application, report, or document filed pursuant to provisions of this Act or of any information obtained by the Board, the Secretary of State, or the Secretary of Transportation pursuant to the provisions of this Act stating the grounds for such objection. Any information contained in such application, report, or document, or any such other information obtained by the Board, the Secretary of State, or the Secretary of Transportation, shall be withheld from public disclosure by the Board, the Secretary of State, or the Secretary of Transportation, as the case may be, if disclosure of such information would prejudice the formulation and presentation of positions of the United States in international negotiations and adversely affect the competitive position of any air carrier in foreign air transportation. The Board, the Secretary of State, or the Secretary of Transportation, as the case may be, shall be responsible for classified information in accordance with appropriate law, except that nothing in this section shall authorize the withholding of information by the Board, the Secretary of State, or the Secretary of Transportation from the duly authorized committees of Congress.".

SUNSET PROVISIONS

SEC. 40. (a) The Federal Aviation Act of 1958 (49 U.S.C. 1301 et seq.) is amended by adding at the end thereof the following new title:

"TITLE XVI—SUNSET PROVISIONS

"TERMINATION OF CIVIL AERONAUTICS BOARD AND TRANSFER OF CERTAIN FUNCTIONS

"TERMINATION OF AUTHORITY

49 USC 1551. "SEC. 1601. (a)(1) The following provisions of this Act (to the extent such provisions relate to interstate and overseas air transportation of persons) and the authority of the Board with respect to such provisions (to the same extent) shall cease to be in effect on December 31, 1981:

Ante, p. 1712. "(A) Sections 401(d) (1), (2), and (3) of this Act (insofar as such sections require a determination of consistency with the public convenience and necessity and insofar as section 401(d)(3) prohibits persons holding certificates under section 401 (d)(1) or (d)(2) from obtaining certificates to provide interstate or overseas charter air transportation of persons).

"(B) Section 401(d)(8) of this Act.

"(C) Section 401(e)(1) of this Act (insofar as such section permits the Board to specify terminal and intermediate points).

"(D) Section 401(j) of this Act (except with respect to essential air transportation).

"(E) Sections 401(n) (1) and (4) of this Act.

"(F) Section 404(a) of this Act (insofar as such section requires any air carrier to provide air transportation authorized by its certificate).

49 USC 1375. "(G) Section 405(b) of this Act (insofar as such section requires the filing of any statement or schedule by any air carrier).

"(2) The following provisions of this Act (to the extent such provisions relate to interstate and overseas air transportation of persons) and the authority of the Board with respect to such provisions (to the same extent) shall cease to be in effect on January 1, 1983:

"(A) Section 403 of this Act. 49 USC 1373.

"(B) Section 404 of this Act (except insofar as such section requires air carriers to provide safe and adequate service). 49 USC 1374.

"(C) Section 407 (b) and (c) of this Act. 49 USC 1377.

"(D) Sections 1002 (d) (1) and (d) (2), (e), (g), (h), and (i) of this Act. *Ante*, p. 1741.

"(3) The authority of the Board under sections 408 and 409 of this Act (relating to interstate and overseas air transportation) and the authority of the Board under section 414 of this Act (relating to such sections 408 and 409) is transferred to the Department of Justice on January 1, 1983. 49 USC 1378, 1379. 49 USC 1384.

"(4) Title II of this Act shall cease to be in effect on January 1, 1985. 49 USC 1321.

"TRANSFER OF CERTAIN AUTHORITY

"(b) (1) The following authority of the Board is transferred to the following Federal departments and instrumentalities:

"(A) The authority of the Board under sections 406 (b) (3) and (c) of this Act to provide compensation for air transportation to small communities and under section 419 of this Act is transferred to the Department of Transportation. *Ante*, p. 1725. *Ante*, p. 1732.

"(B) The authority of the Board under this Act with respect to foreign air transportation is transferred to the Department of Transportation which shall exercise such authority in consultation with the Department of State.

"(C) The authority of the Board under sections 408 and 409 of this Act (relating to foreign air transportation), the authority of the Board under section 412 of this Act, and the authority of the Board under section 414 of this Act (relating to such sections 408, 409, and 412) is transferred to the Department of Justice. 49 USC 1382.

"(D) The authority of the Board under this Act with respect to the determination of the rates for the carriage of mails in interstate and overseas air transportation is transferred to the Postal Service and such authority shall be exercised through negotiations or competitive bidding.

"(2) Any authority transferred under paragraph (1) of this subsection shall take effect on January 1, 1985.

"REPORT AND ASSESSMENT BY BOARD

"(c) Not later than January 1, 1984, the Board shall prepare and submit to the Congress a comprehensive review of the Board's implementation of the provisions of this Act during the preceding initial period of this Act's existence, and a comprehensive review of each of the Board's programs under this Act. Each such review shall be made available to the committee or committees of the Senate and House of Representatives having jurisdiction with respect to the annual authorization of funds for the Board and its programs for the fiscal year beginning October 1, 1983. Review, submittal to Congress.

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"ELEMENTS OF BOARD CONSIDERATION

Review provisions.

"(d) The comprehensive review of the Board's implementation of this Act, prepared for submission under subsection (c), shall include—

"(1) a detailed comparison of the degree of competition within the airline industry as of the year preceding enactment of this section and the final year covered by the review;

"(2) a comparison of the degree of pricing competition in the industry during those two one-year periods;

"(3) a comparison of the extent of unused authority held by the industry during those two one-year periods, with details as to the number of nonstop route segments which have been transferred from one carrier to another under section 401(d)(5) of his Act;

Ante, p. 1713.

"(4) an assessment of the degree to which agreements approved under section 412 of this Act have affirmatively or negatively affected the degree of competition within the industry;

49 USC 1382.

"(5) a comparison of the extent of air transportation service provided to small communities during the two one-year periods specified above, together with details as to the comparative subsidy costs during these two periods;

"(6) an assessment of the degree, if any, to which the administrative process has been expedited under this Act;

"(7) an assessment of the impact of the foregoing changes upon the national air transportation system in terms of benefits or detriments to the traveling and shipping public, the Postal Service, and the national defense, and the benefits and detriments to air carriers, certificated and uncertificated; and

"(8) the Board's opinion as to whether the foregoing changes in combination, have improved or harmed this Nation's domestic air transportation system and the United States-flag foreign air transportation system.

Continuation, opinion and recommendations.

This assessment shall be accompanied by a detailed opinion from the Board as to whether the public interest requires continuation of the Board and its functions beyond January 1, 1985, and, if it is the Board's conclusion that it should continue to exist, detailed recommendations as to how the provisions of this Act should be revised to insure continued improvement of the Nation's air transportation system beyond January 1, 1985. The Board's assessment under this subsection shall also be accompanied by a comparative analysis of procedures under section 801 of this Act before and after the date of enactment of the Airline Deregulation Act of 1978, together with the Board's opinion as to the benefits of each set of procedures.

49 USC 1461.

"ELEMENTS FOR EACH COMPREHENSIVE REVIEW

"(e) Each comprehensive review of the Board's programs under this Act, prepared for submission under subsection (c) of this section, shall include—

"(1) an identification of the objectives intended for the program, and the problem or need which the program was intended to address;

"(2) an identification of any other programs having similar or potentially conflicting or duplicative objectives;

"(3) an assessment of alternative methods of achieving the purposes of the program;

"(4) a justification for the authorization of new budget authority, and an explanation of the manner in which it conforms to and integrates with other efforts;

"(5) an assessment of the degree to which the original objectives of the program have been achieved, expressed in terms of the performance, impact, or accomplishments of the program and of the problem or need which it was intended to address, and employing the procedures or methods of analysis appropriate to the type or character of the program;

"(6) a statement of the performance and accomplishments of the program in each of the previous four completed fiscal years and in the year of submission, and of the budgetary costs incurred in the operation of the program;

"(7) a statement of the number and types of beneficiaries or persons or entities by the program;

"(8) an assessment of the effect of the program on the national economy, including, but not limited to, the effects on competition, economic stability, employment, unemployment, productivity, energy consumption and conservation, and price inflation, including costs to consumers and to businesses;

"(9) an assessment of the impact of the program on the Nation's health and safety;

"(10) an assessment of the degree to which the overall administration of the program, as expressed in the rules, regulations, orders, standards, criteria, and decisions of the officers executing the program, are believed to meet the objectives of the Congress in enacting this Act;

"(11) a projection of the anticipated needs for accomplishing the objectives of the program, including an estimate if applicable of the date on which, and the conditions under which, the program may fulfill such objectives;

"(12) an analysis of the services which could be provided and performance which could be achieved if the program were contained at a level less than, equal to, or greater than the existing level; and

"(13) recommendations for necessary transitional requirements in the event that funding for such program is discontinued, including proposals for such executive or legislative action as may be necessary to prevent such discontinuation from being unduly disruptive.".

(b) That portion of the table of contents contained in the first section of such Act is amended by inserting at the end thereof

"TITLE XVI—SUNSET PROVISIONS

"SEC. 1001. Termination of Civil Aeronautics Board and transfer of certain functions.

"(a) Termination of authority.

"(b) Transfer of certain authority.

"(c) Report and assessment by Board.

"(d) Elements for Board consideration.

"(e) Elements for each comprehensive review.".

AMENDMENTS TO THE AIRPORT AND AIRWAY DEVELOPMENT ACT OF 1970

Air carrier airport designation.
49 USC 1729.

SEC. 41. (a) Section 29 of the Airport and Airway Development Act of 1970 is amended—

(1) by striking out "Notwithstanding" and inserting in lieu thereof the following:

"(a) SERVICE BY INTRASTATE AIR CARRIER.—Notwithstanding"; and

(2) by inserting at the end thereof the following new subsection:

"(b) SUSPENDED OR DELETED SERVICE.—Notwithstanding any other provision of this title, any public airport which, on the date of enactment of the Airline Deregulation Act of 1978, is regularly served by an air carrier (other than a charter air carrier) certificated by the Civil Aeronautics Board under section 401 of the Federal Aviation Act of 1958 shall be deemed to be an air carrier airport (other than a commuter service airport) for the purposes of this title. This subsection shall cease to be in effect after September 30, 1980.".

49 USC 1371.

49 USC 1711.

(b) Paragraph (1) of section 11 of the Airport and Airway Development Act of 1970 is amended by striking out "(other than a supplemental air carrier)" and inserting in lieu thereof "(other than a charter air carrier)".

GOVERNMENT GUARANTEE OF EQUIPMENT LOANS

SEC. 42. (a)(1) The first sentence of the first section of the Act entitled "An Act to provide for Government guarantee of private loans of certain air carriers for purchase of modern aircraft and equipment, to foster the development and use of modern transport aircraft by such carriers, and for other purposes", approved September 7, 1957 (49 U.S.C. 1324 note) (hereinafter in this section referred to as the "Act"), is amended by inserting "and to promote the development of local, feeder, and short-haul charter air transportation of cargo" after "and short-haul air transportation".

(2) The second sentence of the first section of the Act is amended by inserting ", charter air carriers, commuter air carriers, and intrastate air carriers" immediately after "air carriers".

Definitions.
49 USC 1324 note.

(b) Section 2 of the Act is amended to read as follows:

"SEC. 2. As used in this Act—

"(1) 'aircraft purchase loan' means any loan, or commitment in connection therewith, made for the purchase of commercial transport aircraft, including spare parts normally associated therewith;

"(2) 'air carrier' means any air carrier holding a certificate of public convenience and necessity issued by the Civil Aeronautics Board under section 401(d)(1) of the Federal Aviation Act of 1958 (49 U.S.C. 1371(d)(1));

"(3) 'charter air carrier' has the meaning given such term in section 101(14) of the Federal Aviation Act of 1958;

49 USC 1301.

"(4) 'charter air transportation' has the meaning given such term in section 101(15) of the Federal Aviation Act of 1958;

"(5) 'commuter air carrier' means any air carrier operating pursuant to section 416(b)(3) of the Federal Aviation Act of 1958 (49 U.S.C. 1386(b)(3)) who operates at least five round trip flights per week between one pair of points in accordance with published flight schedules;

"(6) 'intrastate air carrier' means any citizen of the United States who undertakes, whether directly or indirectly or by a lease or any other arrangement, to engage primarily in intrastate air transportation (as such term is defined in section 101(26) of the Federal Aviation Act of 1958); and

49 USC 1301.

"(7) 'Secretary' means the Secretary of Transportation.".

(c) Section 3 of the Act is amended to read as follows:

Eligible lenders.
49 USC 1324 note.

"SEC. 3. The Secretary is authorized to guarantee any lender against loss of principal or interest on any aircraft purchase loan made by such lender to—

"(1) any air carrier whose certificate (A) authorizes such air carrier to provide local or feeder air service, (B) authorizes scheduled passenger operations the major portion of which are conducted within the State of Hawaii, (C) authorizes operations (the major portion of which is conducted either within Alaska or between Alaska and the forty-eight contiguous States), within the State of Alaska (including service between Alaska and the forty-eight contiguous States, and between Alaska and adjacent Canadian territory), or (D) authorizes metropolitan helicopter service,

"(2) any charter air carrier for the purchase of any all-cargo nonconvertible aircraft,

"(3) any commuter air carrier, or

"(4) any intrastate air carrier.

Such guarantee shall be made in such form, on such terms and conditions, and pursuant to such regulations, as the Secretary deems necessary and which are not inconsistent with the provisions of this Act.".

(d) Section 4 of the Act is amended to read as follows:

Restrictions.
49 USC 1324 note.

"SEC. 4. (a) Subject to subsection (b) of this section, no guaranty shall be made—

"(1) extending to more than the unpaid interest and 90 percent of the unpaid principal of any loan;

"(2) on any loan or combination of loans for more than 90 percent of the purchase price of the aircraft, including spare parts, to be purchased therewith;

"(3) on any loan whose terms permit full repayment more than 15 years after the date thereof;

"(4) wherein the total face amount of such loan, and of any other loans to the same air carrier, charter air carrier, commuter air carrier, or intrastate air carrier or corporate predecessor of such air carrier, charter air carrier, commuter air carrier, or intrastate air carrier guaranteed and outstanding under the terms of this Act exceeds $100,000,000;

"(5) unless the Secretary finds that, without such guaranty, in the amount thereof, the air carrier, charter air carrier, commuter air carrier, or intrastate air carrier would be unable to obtain necessary funds for the purchase of needed aircraft on reasonable terms;

"(6) unless the Secretary finds that the aircraft to be purchased with the guaranteed loan is needed to improve the service and efficiency of operation of the air carrier, charter air carrier, commuter air carrier, or intrastate air carrier;

"(7) unless the Secretary finds that the prospective earning power—

"(A) of the applicant air carrier or charter air carrier, together with the character and value of the security pledged, furnish (i) reasonable assurances of the applicant's ability to repay the loan within the time fixed therefor, and (ii) reasonable protection to the United States; and

"(B) of the applicant commuter air carrier or intrastate air carrier, together with the character and value of the security pledged, furnish (i) reasonable assurances of the applicant's ability and intention to repay the loan within the time fixed therefor, to continue its operations as a commuter air carrier or intrastate air carrier, and to the extent found necessary by the Secretary, to continue its operations as a commuter air carrier or intrastate air carrier between the same route or routes being operated by such applicant at the time of the loan guarantee, and (ii) reasonable protection to the United States; and

"(8) on any loan or combination of loans for the purchase of any new turbojet-powered aircraft which does not comply with the noise standards prescribed for new subsonic aircraft in regulations issued by the Secretary acting through the Administrator of the Federal Aviation Administration (14 CFR part 36), as such regulations were in effect on January 1, 1977.

"(b) No guaranty shall be made by the Secretary under subsection (a) of this section on any loan for the purchase of any all-cargo nonconvertible aircraft by any charter air carrier in an amount which, together with any other loans guaranteed and outstanding under this Act to such charter air carrier, or corporate predecessor of such charter air carrier, would result in the ratio of the total face amount of such loans to $100,000,000 exceeding the ratio of the amount of charter air transportation of such charter air carrier provided to medium, small, and non-hub airports during the twelve-month period preceding the date on which the application for such guaranty is made by such charter air carrier to the total amount of charter air transportation of such charter air carrier during such twelve-month period.".

Termination date.
49 USC 1324 note.
Ante, p. 1749.

(e) Section 8 of the Act is amended to read as follows:

"SEC. 8. The authority of the Secretary under section 3 of this Act shall terminate five years after the date of enactment of this section.".

EMPLOYEE PROTECTION PROGRAM

Payment by Labor Secretary.
49 USC 1552.

SEC. 43. (a). GENERAL RULE.—(1) The Secretary of Labor shall, subject to such amounts as are provided in appropriation Acts, make monthly assistance payments, or reimbursement payments, in amounts computed according to the provisions of this section, to each individual who the Secretary finds, upon application, to be an eligible protected employee. An eligible protected employee shall be a protected employee who on account of a qualifying dislocation (A) has been deprived of employment, or (B) has been adversely affected with respect to his compensation.

Eligibility.

(2) No employee who is terminated for cause shall receive any assistance under this section.

(b) MONTHLY ASSISTANCE COMPUTATION.—(1) An eligible protected employee shall, subject to such amounts as are provided in appropriation Acts, receive a monthly assistance payment, for each month in which he is an eligible protected employee, in an amount computed by

the Secretary. The Secretary, after consultation with the Secretary of Transportation, shall, by rule, promulgate guidelines to be used by him in determining the amount of each monthly assistance payment to be made to a member of each craft and class of protected employees, and what percentage of salary such payment shall constitute for each applicable class or craft of employees. In computing such amounts for any individual protected employee, the Secretary shall deduct from such amounts the full amount of any unemployment compensation received by the protected employee.

Guideline rules, consultation.

(2) If an eligible protected employee is offered reasonably comparable employment and such employee does not accept such employment, then such employee's monthly assistance payment under this section shall be reduced to an amount which such employee would have beeen entitled to receive if such employee had accepted such employment. If the acceptance of such comparable employment would require relocation, such employee may elect not to relocate and, in lieu of all other benefits provided herein, to receive the monthly assistance payments to which he would be entitled if this paragraph were not in effect, except that the total number of such payments shall be the lesser of three or the number remaining pursuant to the maximum provided in subsection (e).

Relocation.

(c) ASSISTANCE FOR RELOCATION.—If an eligible protected employee relocates in order to obtain other employment, such employee shall, subject to such amounts as are provided in appropriation Acts, receive reasonable moving expenses (as determined by the Secretary) for himself and his immediate family. In addition, such employee shall, subject to such amounts as are provided in appropriation Acts, receive reimbursement payments for any loss resulting from selling his principal place of residence at a price below its fair market value (as determined by the Secretary) or any loss incurred in cancelling such employee's lease agreement or contract of purchase relating to his principal place of residence.

(d) DUTY TO HIRE PROTECTED EMPLOYEES.—(1) Each person who is a protected employee of an air carrier which is subject to regulation by the Civil Aeronautics Board who is furloughed or otherwise terminated by such an air carrier (other than for cause) prior to the last day of the 10-year period beginning on the date of enactment of this section shall have first right of hire, regardless of age, in his occupational specialty, by any other air carrier hiring additional employees which held a certificate issued under section 401 of the Federal Aviation Act of 1958 prior to such date of enactment. Each such air carrier hiring additional employees shall have a duty to hire such a person before they hire any other person, except that such air carrier may recall any of its own furloughed employees before hiring such a person. Any employee who is furloughed or otherwise terminated (other than for cause), and who is hired by another air carrier under the provisions of this subsection, shall retain his rights of seniority and right of recall with the air carrier that furloughed or terminated him.

49 USC 1371.

(2) The Secretary shall establish, maintain, and periodically publish a comprehensive list of jobs available with air carriers certificated under section 401 of the Federal Aviation Act of 1958. Such list shall include that information and detail, such as job descriptions and required skills, the Secretary deems relevant and necessary. In addition to publishing the list, the Secretary shall make every effort to

Job list, establishment and publication.

assist an eligible protected employee in finding other employment. Any individual receiving monthly assistance payments, moving expenses, or reimbursement payments under this section shall, as a condition to receiving such expenses or payments, cooperate fully with the Secretary in seeking other employment. In order to carry out his responsibilities under this subsection, the Secretary may require each such air carrier to file with the Secretary the reports, data, and other information necessary to fulfill his duties under this subsection.

Reports and data, filing.

(3) In addition to making monthly assistance or reimbursement payments under this section, the Secretary shall encourage negotiations between air carriers and representatives of eligible protected employees with respect to rehiring practices and seniority.

Negotiations.

(e) PERIOD OF MONTHLY ASSISTANCE PAYMENTS.—(1) Monthly assistance payments computed under subsection (b) for a protected employee who has been deprived of employment shall be made each month until the recipient obtains other employment, or until the end of the 72 months occurring immediately after the month such payments were first made to such recipient, whichever first occurs.

(2) Monthly assistance payments computed under subsection (b) for a protected employee who has been adversely affected relating to his compensation shall be paid for no longer than 72 months, so long as the total number of monthly assistance payments made under this section for any reason do not exceed 72.

(f) RULES AND REGULATIONS.—(1) The Secretary may issue, amend, and repeal such rules and regulations as may be necessary for the administration of this section.

(2) The rule containing the guidelines which is required to be promulgated pursuant to subsection (b) of this section and any other rules or regulations which the Secretary deems necessary to carry out this section shall be promulgated within six months after the date of enactment of this section.

(3) The Secretary shall not issue any rule or regulation as a final rule or regulation under this section until 30 legislative days after it has been submitted to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Public Works and Transportation of the House of Representatives. Any rule or regulation issued by the Secretary under this section as a final rule or regulation shall be submitted to the Congress and shall become effective 60 legislative days after the date of such submission, unless during that 60-day period either House adopts a resolution stating that that House disapproves such rules or regulations, except that such rules or regulations may become effective on the date, during such 60-day period, that a resolution has been adopted by both Houses stating that the Congress approves of them.

Submittal to Congress.

(4) For purposes of this subsection, the term "legislative day" means a calendar day on which both Houses of Congress are in session.

"Legislative day."

(g) AIRLINE EMPLOYEES PROTECTIVE ACCOUNT.—All payments under this section shall be made by the Secretary from a separate account maintained in the Treasury of the United States to be known as the Airline Employees Protective Account. There are authorized to be appropriated to such account annually, beginning with the fiscal year ending September 30, 1979, such sums as are necessary to carry out the purposes of this section, including amounts necessary for the

Appropriation authorization.

administrative expenses of the Secretary related to carrying out the provisions of this section.

(h) DEFINITIONS.—For the purposes of this section—

(1) The term "protected employee" means a person who, on the date of enactment of this section, has been employed for at least 4 years by an air carrier holding a certificate issued under section 401 of the Federal Aviation Act of 1958. Such term shall not include any members of the board of directors or officers of a corporation.

(2) The term "qualifying dislocation" means a bankruptcy or major contraction of an air carrier holding a certificate under section 401 of the Federal Aviation Act of 1958, occurring during the first 10 complete calendar years occurring after the date of enactment of the Airline Deregulation Act of 1978, the major cause of which is the change in regulatory structure provided by the Airline Deregulation Act of 1978, as determined by the Civil Aeronautics Board. 49 USC 1371.

(3) The term "Secretary" means the Secretary of Labor.

(4) The term "major contraction" means a reduction by at least 7½ percent of the total number of full-time employees of an air carrier within a 12-month period. Any particular reduction of less than 7½ percent may be found by the Board to be part of a major contraction of an air carrier if the Board determines that other reductions are likely to occur such that within a 12-month period in which such particular reduction occurs the total reduction will exceed 7½ percent. In computing a 7½-percent reduction under this paragraph, the Board shall not include employees who are deprived of employment because of a strike or who are terminated for cause.

(i) TRANSFER OF AUTHORITY OF THE BOARD.—The authority of the Board under this section is transferred to the Department of Transportation on January 1, 1985.

(j) TERMINATION.—The provisions of this section shall terminate on the last day the Secretary is required to make a payment under this section.

LABOR DISPUTE

SEC. 44. Within ten days after the date of enactment of this section the President, pursuant to section 10 of the Railway Labor Act, shall create a board to investigate and report on the dispute between Wier Air Alaska, Incorporated, and the Air Line Pilots Association. Such board shall report its findings to the President within thirty days from the date of its creation. Emergency board. 45 USC 160.

COLLECTION OF FEES, CHARGES, AND PRICES

SEC. 45. Notwithstanding any other provisions of law, neither the Secretary of Transportation nor the Administrator of the Federal Aviation Administration shall collect any fee, charge, or price for any approval, test, authorization, certificate, permit, registration, conveyance, or rating relating to any aspect of aviation (1) which is in excess of the fee, charge, or price for such approval, test, authorization, certificate, permit, registration, conveyance, or rating which was in effect on January 1, 1973, or (2) which did not exist on January 1, Review and approval by Congress. 49 USC 1341 note.

1973, until all such fees, charges, and prices are reviewed and approved by Congress.

CONTINUITY FOR CERTAIN CERTIFICATES

49 USC 1301 note.

SEC. 46. Any reference in any law, rule, regulation, or document of the United States to a supplemental air carrier or supplemental air transportation shall be deemed to be a reference to a charter air carrier or charter air transportation, respectively.

EXISTING DETERMINATIONS

49 USC 1301 note.

SEC. 47. All orders, determinations, rules, regulations, permits, contracts, certificates, rates, and privileges which have been issued, made, or granted, or allowed to become effective, by the President, the Civil Aeronautics Board, or the Postmaster General, or any court of competent jurisdiction, under any provision of law repealed or amended by this Act, or in the exercise of duties, powers, or functions, which are vested in the Board, and which are in effect at the time this Act takes effect, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Board, or by any court of competent jurisdiction, or by operation of law.

Approved October 24, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-1211 and No. 95-1211 pt. 2, accompanying H.R. 12611 (Comm. on Public Works and Transportation) and No. 95-1779 (Comm. of Conference).

SENATE REPORT No. 95-631 (Comm. on Commerce, Science, and Transportation).

CONGRESSIONAL RECORD, Vol. 124 (1978):

Apr. 19, considered and passed Senate.

Sept. 14, 21, H.R. 12611 considered and passed House; passage vacated and S. 2493, amended, passed in lieu.

Oct. 14, Senate agreed to conference report.

Oct. 15, House agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 43:

Oct. 24, Presidential statement.

Public Law 95-505
95th Congress

An Act

To amend title XI of the Merchant Marine Act, 1936, to permit the guarantee of obligations for financing Great Lakes vessels in an amount not exceeding 87½ per centum of the actual or depreciated actual cost of each vessel.

Oct. 24, 1978
[H.R. 11658]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 509 of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1159), is amended by striking the words "fourteen knots" in the fourth sentence, and inserting in lieu thereof the words "ten knots".

Great Lakes vessels, financing.

Approved October 24, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1528 (Comm. on Merchant Marine and Fisheries).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 3, considered and passed House.
Oct. 6, considered and passed Senate.

Public Law 95-506
95th Congress

An Act

Oct. 24, 1978
[H.R. 13767]

To amend the Federal Property and Administrative Services Act of 1949 to permit the recovery of replacement cost of motor vehicles and other related equipment and supplies.

Federal Property and Administrative Services Act of 1949, amendment.
Availability of the General Supply Fund.
40 USC 756.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 211(d) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 491(d)) is amended to read as follows:

"(d)(1) The General Supply Fund provided for in section 109 shall be available for use by or under the direction and control of the Administrator for paying all elements of cost (including the purchase or rental price of motor vehicles and other related equipment and supplies) incident to the establishment, maintenance, and operation (including servicing and storage) of motor vehicle pools or systems for the transportation of property or passengers, and to the furnishing of such motor vehicles and equipment and related services pursuant to subsection (b).

"(2) Payments by requisitioning agencies so served shall be at prices fixed by the Administrator at levels which will recover, so far as practicable, all such elements of cost, and may, in the Administrator's discretion, include increments for the estimated replacement cost of such motor vehicles, equipment, and supplies. Such increments may, notwithstanding section 109(e) of this Act, be retained as part of the capital of the General Supply Fund, but shall be available only for replacement of such motor vehicles, equipment, and supplies. The purchase price, plus such increments for the estimated replacement cost, of such motor vehicles and equipment shall be recovered only through charges for the cost of amortization. Such costs shall be determined in accordance with the accrual accounting method; and financial reports shall be prepared on the basis of such accounting.".

Approved October 24, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1529 (Comm. on Government Operations).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 25, considered and passed House.
Oct. 10, considered and passed Senate.

Public Law 95-507
95th Congress

An Act

To amend the Small Business Act and the Small Business Investment Act of 1958.

Oct. 24, 1978
[H.R. 11318]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Small Business Act and Small Business Investment Act of 1958, amendment.

TITLE I—AMENDMENTS TO THE SMALL BUSINESS INVESTMENT ACT OF 1958

CHAPTER 1

SEC. 101. Section 303(c)(1) of the Small Business Investment Act of 1958 is amended to read as follows:

Purchase and guarantee operations.
15 USC 683.

"(1) shares of nonvoting stock (or other corporate securities having similar characteristics), provided—

"(i) dividends are preferred and cumulative to the extent of 3 per centum of par value per annum;

"(ii) on liquidation of redemption the Administration is entitled to the preferred payment of the par value of such securities; and prior to any distribution (other than to the Administration) the Administration shall be paid any amounts as may be due pursuant to subparagraph (i) of this paragraph;

"(iii) the purchase price shall be at par value and, in any one sale, $50,000 or more; and

"(iv) the amount of such securities purchased and outstanding at any one time shall not exceed—

"(A) from a company licensed on or before October 13, 1971, 200 per centum of the combined private paid-in capital and paid-in surplus of such company, or

"(B) from any such company licensed after October 13, 1971, and having a combined paid-in capital and paid-in surplus of less than $500,000, 100 per centum of such capital and surplus, or

"(C) from any such company licensed after October 13, 1971, and having a combined private paid-in capital and paid-in surplus of $500,000 or more, 200 per centum of such capital and surplus.

"The amount of such securities purchased by the Administration in excess of 100 per centum of such capital and surplus from any company described in clause (A) or (C) may not exceed an amount equal to the amount of its funds invested in or legally committed to be invested in equity securities. For the purposes of the subsection, the term 'equity securities' means stock of any class (including preferred stock) or limited partnership interests, or shares in a syndicate, business trust, joint stock company or association, mutual corporation, cooperative or other joint ventures for profit, or unsecured debt instruments which are subordinated by their terms to all other borrowings of the issuer.".

"Equity securities."

SEC. 102. The last sentence of section 308(b) of the Small Business Investment Act of 1958 is amended to read as follows: "Such com-

15 USC 687.

panies are authorized to invest funds not reasonably needed for their operations in direct obligations of, or obligations guaranteed as to principal and interest by, the United States, or in certificates of deposit maturing within one year or less, issued by any institution the accounts of which are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, or in savings accounts of such institutions.".

Repeal.
15 USC 687i.

SEC. 103. The last sentence of section 317 of the Small Business Investment Act of 1958 is repealed.

15 USC 681.

SEC. 104. Section 301(d) of the Small Business Investment Act of 1958 is amended by inserting "or formed as a limited partnership," immediately after "statutes,".

Capital requirements for small business investment companies.
15 USC 682.

SEC. 105. Section 302(a) of the Small Business Investment Act of 1958 is amended to read as follows:

"SEC. 302(a). The combined private paid-in capital and paid-in surplus of any company licensed pursuant to sections 301(c) and (d) of this Act shall not be less than $150,000: *Provided, however*, That the combined private paid-in capital and paid-in surplus of any company licensed on or after October 1, 1979 pursuant to sections 301(c) and (d) of this Act shall be not less than $500,000. In all cases, such capital and surplus shall be adequate to assure a reasonable prospect that the company will be operated soundly and profitably, and managed actively and prudently in accordance with its articles.".

CHAPTER 2

15 USC 694a.

SEC. 110. Section 410(4) of the Small Business Investment Act of 1958 is amended by—

(1) deleting the word "or" after the phrase "conditions of the contract,"; and

(2) deleting the period after the phrase "fails to make prompt payment" and inserting in lieu thereof ", or (D) is an agent, independent agent, underwriter, or any other company or individual empowered to act on behalf of such person.".

Surety bond guarantees.
15 USC 694b.

SEC. 111. Section 411 of the Small Business Investment Act of 1958 is amended to read as follows:

"SEC. 411. (a) The Administration may, upon such terms and conditions as it may prescribe, guarantee and enter into commitments to guarantee any surety (the terms and conditions of said guarantees and commitments may vary from surety to surety on the basis of the Administration's experience with the particular surety) against loss, as hereinafter provided, as the result of a breach of the terms of a bid bond, payment bond, performance bond, or bonds ancillary and coterminous therewith, by a principal on any contract up to $1,000,000, subject to the following conditions:

"(1) the person who would be the principal of the bond is a small business concern;

"(2) the bond is required in order for such person to bid on a contract, or to serve as a prime contractor or subcontractor thereon;

"(3) such person is not able to obtain such bond on reasonable terms and conditions without a guarantee under this section;

"(4) the Administration determines that there is a reasonable expectation that such person will perform the covenants and conditions of the contract with respect to which the bond is required;

"(5) the contract meets requirements established by the Administration for feasibility of successful completion and reasonableness of cost; and

"(6) the terms and conditions of any bond guaranteed under the authority of this part are reasonable in light of the risks involved and the extent of the surety's participation.

"(b) Subject to the provisions of this section, in connection with the issuance by the Administration of a guarantee to a surety as provided by subsection (a), the Administration may agree to indemnify such surety against a loss sustained by such surety in avoiding or attempting to avoid a breach of the terms of a bond guaranteed by the Administration pursuant to subsection (a): *Provided, however*—

"(1) prior to making any payment under this subsection, the Administration shall first determine that a breach of the terms of such bond was imminent;

"(2) no payment by the Administration pursuant to this subsection shall exceed 10 per centum of the contract price unless the Administrator determines that a greater payment should be made as a result of a finding by the Administrator that the surety's loss sustained in avoiding or attempting to avoid such breach was necessary and reasonable; and Limitation.

"(3) no new agreements to indemnify shall be entered into pursuant to this subsection subsequent to two years after the date of its enactment.

"(c) Any guarantee or agreement to indemnify under this section shall obligate the Administration to pay to the surety a sum not to exceed (1) in the case of a breach of contract, 90 per centum of the loss incurred and paid by the surety to or on behalf of the obligee, or to labor and materialmen, in fulfilling the terms of the contract as the result of the breach; or (2) in a case to which subsection (b) applies, the amount determined under subsection (b). Limitation.

"(d) The Administration may establish and periodically review regulations for participating sureties which shall require such sureties to meet Administration standards for underwriting, claim practices, and loss ratios. Regulations.

"(e) Pursuant to any such guarantee or agreement, the Administration shall reimburse the surety, as provided in subsection (c) of this section, except that the Administration shall be relieved of all liability if—

"(1) the surety obtained such guarantee or agreement, or applied for such reimbursement, by fraud or material misrepresentation, or

"(2) the total contract amount at the time of execution of the bond or bonds exceeds $1,000,000.

"(f) The Administration may, upon such terms and conditions as it may prescribe, adopt a procedure for reimbursing a surety for its paid losses billed each month, based upon prior monthly payments to such surety, with subsequent adjustments after such disbursement.

"(g) The Administration may at all reasonable times audit in the offices of a participating surety all documents, files, books, records, and other material relevant to the Administration's guarantee, commitments to guarantee, or agreements to indemnify any surety pursuant to this section. Audit.

"(h) The Administration shall administer this Part on a prudent and economically justifiable basis and establish such fee or fees for small business concerns and premium or premiums for sureties as it deems reasonable and necessary, to be payable at such time and under such conditions as may be determined by the Administration. Administration.

"(i) The provisions of section 402 shall apply in the administration of this section.". 15 USC 693.

Community injection funds. 15 USC 696.

SEC. 112. Section 502 of the Small Business Investment Act of 1958 is amended by adding at the end of paragraph (4) the following new sentence: "Community injection funds may be derived, in whole or in part, from—

"(A) State or local governments;

"(B) banks or other financial institutions;

"(C) foundations or other not-for-profit institutions; or

"(D) a small business concern (or its owners, stockholders, or affiliates) receiving assistance through bodies authorized under this title.".

TITLE II—AMENDMENTS TO THE SMALL BUSINESS ACT

CHAPTER 1

15 USC 631.

SEC. 201. Section 2 of the Small Business Act is amended by adding at the end thereof the following new subsection:

"(e)(1) with respect to the Administration's business development programs the Congress finds—

"(A) that the opportunity for full participation in our free enterprise system by socially and economically disadvantaged persons is essential if we are to obtain social and economic equality for such persons and improve the functioning of our national economy;

"(B) that many such persons are socially disadvantaged because of their identification as members of certain groups that have suffered the effects of discriminatory practices or similar invidious circumstances over which they have no control;

"(C) that such groups include, but are not limited to, Black Americans, Hispanic Americans, Native Americans, and other minorities;

"(D) that it is in the national interest to expeditiously ameliorate the conditions of socially and economically disadvantaged groups;

"(E) that such conditions can be improved by providing the maximum practicable opportunity for the development of small business concerns owned by members of socially and economically disadvantaged groups;

"(F) that such development can be materially advanced through the procurement by the United States of articles, equipment, supplies, services, materials, and construction work from such concerns; and

"(G) that such procurements also benefit the United States by encouraging the expansion of suppliers for such procurements, thereby encouraging competition among such suppliers and promoting economy in such procurements.

Post, p. 1761.

"(2) It is, therefore, the purpose of section 8(a) to—

"(A) foster business ownership by individuals who are both socially and economically disadvantaged;

"(B) promote the competitive viability of such firms by providing such available contract, financial, technical, and management assistance as may be necessary; and

"(C) clarify and expand the program for the procurement by the United States of articles, equipment, supplies, services, materials, and construction work from small business concerns

owned by socially and economically disadvantaged individuals.".

Procurement contracts.

SEC. 202. (a) Section 8(a) of the Small Business Act (15 U.S.C. 637(a)) is amended to read as follows:

"SEC. 8. (a)(1) It shall be the duty of the Administration and it is hereby empowered, whenever it determines such action is necessary or appropriate—

"(A) to enter into contracts with the United States Government and any department, agency, or officer thereof having procurement powers obligating the Administration to furnish articles, equipment, supplies, services, or materials to the Government or to perform construction work for the Government. In any case in which the Administration certifies to any officer of the Government having procurement powers that the Administration is competent and responsible to perform any specific Government procurement contract to be let by any such officer, such officer shall be authorized in his discretion to let such procurement contract to the Administration upon such terms and conditions as may be agreed upon between the Administration and the procurement officer. Whenever the Administration and such procurement officer fail to agree, the matter shall be submitted for determination to the Secretary or the head of the appropriate department or agency by the Administrator;

"(B) to enter into contracts with such agency, as shall be designated by the President within 60 days after the effective date of this paragraph, to furnish articles, equipment, supplies, services, or materials, or to perform construction work for such agency. In any case in which the Administration certifies to any officer of such agency having procurement powers that the Administration is competent and responsible to perform any specific procurement contract to be let by any such officer, such officer shall let such procurement contract to the Administration upon such terms and conditions as may be agreed upon between the Administration and the procurement officer. If the Administration and such procurement officer fail to agree on such terms and conditions, either the Administration or such officer shall promptly notify, in writing, the head of such agency. The head of such agency shall have five days (exclusive of Saturdays, Sundays, and legal holidays) to establish the terms and conditions upon which such procurement contract may be let to the Administration, and shall communicate in writing to the Administration the terms and conditions so established. Within five days (exclusive of Saturdays, Sundays, and legal holidays) after the receipt of such written communication, the Administration shall decide whether to perform such procurement contract or withdraw its prior certification that the Administration is competent and responsible to perform such contract; and

"(C) to arrange for the performance of such procurement contracts by negotiating or otherwise letting subcontracts to socially and economically disadvantaged small business concerns for construction work, services, or the manufacture, supply, assembly of such articles, equipment, supplies, materials, or parts thereof, or servicing or processing in connection therewith, or such management services as may be necessary to enable the Administration to perform such contracts.

"No contract may be entered into under subparagraph (B) after September 30, 1980.

Performance bonds.

"(2) Notwithstanding subsections (a) and (c) of the first section of the Act entitled 'An Act requiring contracts for the construction, alteration, and repair of any public building or public work of the United States to be accompanied by a performance bond protecting the United States and by additional bond for the protection of persons furnishing material and labor for the construction, alteration, or repair of said public buildings or public work,' approved August 24, 1935 (49 Stat. 793), no small business concern shall be required to provide any amount of any bond as a condition of receiving any subcontract under this subsection if the Administrator determines that such amount is inappropriate for such concern in performing such contract: *Provided*, That the Administrator shall exercise the authority granted by the paragraph only if—

"(A) the Administration takes such measures as it deems appropriate for the protection of persons furnishing materials and labor to a small business receiving any benefit pursuant to this paragraph;

"(B) the Administration assists, insofar as practicable, a small business receiving the benefits of this paragraph to develop, within a reasonable period of time, such financial and other capability as may be needed to obtain such bonds as the Administration may subsequently require for the successful completion of any program conducted under the authority of this subsection;

"(C) the Administration finds that such small business is unable to obtain the requisite bond or bonds from a surety and that no surety is willing to issue such bond or bonds subject to the guarantee provisions of Title IV of the Small Business Investment Act of 1958; and

"(D) the small business is determined to be a start-up concern and such concern has not been participating in any program conducted under the authority of this subsection for a period exceeding one year.

"This paragraph shall not apply after September 30, 1980.

"(3) Any small business concern selected by the Administration to perform any Federal Government procurement contract to be let pursuant to this subsection shall, when practicable, participate in any negotiation of the terms and conditions of such contract.

"Socially and economically disadvantaged small business concern."

"(4) For purposes of this section, the term 'socially and economically disadvantaged small business concern' means any small business concern—

"(A) which is at least 51 per centum owned by one or more socially and economically disadvantaged individuals; or, in the case of any publicly owned business, at least 51 per centum of the stock of which is owned by one or more socially and economically disadvantaged individuals; and

"(B) whose management and daily business operations are controlled by one or more of such individuals.

Socially disadvantaged individuals.

"(5) Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities.

Economically disadvantaged individuals.

"(6) Economically disadvantaged individuals are those socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged. In determining the degree of diminished credit

and capital opportunities the Administration shall consider, but not be limited to, the assets and net worth of such socially disadvantaged individual.

"(7) No small business concern shall be deemed eligible for any assistance pursuant to this subsection unless the Administration determines that with contract, financial, technical, and management support the small business concern will be able to perform contracts which may be awarded to such concern under paragraph (1)(C) and has reasonable prospects for success in competing in the private sector.

"(8) All determinations made pursuant to paragraphs (4), (5), (6) and (7), shall be made by the Associate Administrator for Minority Small Business and Capital Ownership Development. Determinations.

"(9) Within ninety days after the effective date of this paragraph, the Administration shall publish in the Federal Register rules setting forth those conditions or circumstances pursuant to which a firm previously deemed eligible by the Administration may be denied assistance under the provisions of this subsection: *Provided*, That no such firm shall be denied total participation in any program conducted under the authority of this subsection without first being afforded a hearing on the record in accordance with chapter 5 of title 5, United States Code. Publication in Federal Register.

"(10) The Administration shall develop and implement an outreach program to inform and recruit small business concerns to apply for eligibility for assistance under this subsection.

"(11) To the maximum extent practicable, construction subcontracts awarded by the Administration pursuant to this subsection shall be awarded within the county or State where the work is to be performed.

"(12) To the maximum extent practicable the Associate Administrator for Minority Small Business and Capital Ownership Development shall submit, no less frequently than annually, a yearly estimate of the dollar amounts and types of contracts required for the efficient use of any program conducted under the authority of this subsection, to each agency which may participate in such program.". Annual estimate.

(b) Not later than June 30, 1980, the General Accounting Office shall submit to the Congress a report which, with respect to provisions of paragraphs (1)(B) and (2) of section 8(a) of the Small Business Act, shall evaluate the implementation of such provisions and whether such implementation furthered the purposes under section 2(e) of the Small Business Act. Report to Congress. 15 USC 637 note. *Ante*, p. 1761.

SEC. 203. Section 2(c) of the Small Business Act is amended by inserting "(1)" after "(c)" and by adding at the end thereof the following new paragraph: *Ante*, p. 1760. 15 USC 631.

"(2)(A) With respect to the programs authorized by section 7(j) of this Act, the Congress finds— *Post*, p. 1764.

"(i) that ownership and control of productive capital is concentrated in the economy of the United States and certain groups, therefore, own and control little productive capital;

"(ii) that certain groups in the United States own and control little productive capital because they have limited opportunities for small business ownership;

"(iii) that the broadening of small buainess ownership among groups that presently own and control little productive capital is essential to provide for the well-being of this Nation by promoting their increased participation in the free enterprise system of the United States;

"(iv) that such development of business ownership among groups that presently own and control little productive capital will be greatly facilitated through the creation of a small business ownership development program, which shall provide services, including, but not limited to, financial, management, and technical assistance.

"(v) that the power to let sole source Federal contracts pursuant to section 8(a) of the Small Business Act can be an effective procurement assistance tool for development of business ownership among groups that own and control little productive capital; and

Ante, p. 1761.

"(vi) that the procurement authority under section 8(a) of the Small Business Act shall be used only as a tool for developing business ownership among groups that own and control little productive capital.

"(B) It is, therefore, the purpose of the programs authorized by section 7(j) of this Act to—

Infra.

"(i) foster business ownership by individuals in groups that own and control little productive capital; and

"(ii) promote the competitive viability of such firms by creating a small business and capital ownership development program to provide such available financial, technical, and management assistance as may be necessary.".

15 USC 636.

SEC. 204. Section 7(j) of the Small Business Act is amended to read as follows:

Technical and management assistance.

"(j)(1) The Administration shall provide financial assistance to public or private organizations to pay all or part of the cost of projects designed to provide technical or management assistance to individuals or enterprises eligible for assistance under sections 7(i), 7(j)(10), and 8(a) of this Act, with special attention to small businesses located in areas of high concentration of unemployed or low-income individuals, to small businesses eligible to receive contracts pursuant to section 8(a) of this Act.

"(2) Financial assistance under this subsection may be provided for projects, including, but not limited to—

"(A) planning and research, including feasibility studies and market research;

"(B) the identification and development of new business opportunities;

"(C) the furnishing of centralized services with regard to public services and Federal Government programs including programs authorized under sections 7(i), (7)(j)(10), and 8(a) of this Act;

"(D) the establishment and strengthening of business service agencies, including trade associations and cooperatives; and

"(E) the furnishing of business counseling, management training, and legal and other related services, with special emphasis on the development of management training programs using the resources of the business community, including the development of management training opportunities in existing business, and with emphasis in all cases upon providing management training of sufficient scope and duration to develop entrepreneurial and managerial self-sufficiency on the part of the individuals served.

Subcontract placement with businesses located in certain areas.

"(3) The Administration shall encourage the placement of subcontracts by businesses with small business concerns located in areas of high concentration of unemployed or low-income individuals, with small businesses owned by low-income individuals, and with small

businesses eligible to receive contracts pursuant to section 8(a) of this Act. The Administration may provide incentives and assistance to such businesses that will aid in the training and upgrading of potential subcontractors or other small business concerns eligible for assistance under sections 7(i), 7(j), and 8(a) of this Act. *Ante*, p. 1761.

"(A) An advisory committee composed of five high-level officers from five United States businesses and five representatives of minority small businesses shall be created to facilitate the achievement of the purposes of this paragraph. The members of the advisory committee shall be appointed by the President. The chairman of the advisory committee, who shall be designated by the President shall report annually to the President and to the Congress on the activities of the advisory committee. 15 USC 636. *Ante*, p. 1764. Advisory committee, establishment. Membership.

"(B) The General Accounting Office shall evaluate the activities taken by the Administration to achieve the purpose of this paragraph and evaluate the success of these activities in achieving the purposes of this paragraph. The General Accounting Office shall report to the Congress by January 1, 1981, and at any time thereafter at the discretion of the Comptroller General, on the findings of this evaluation and shall make recommendations on actions needed to improve the Administration's performance pursuant to this paragraph. Report to Congress.

"(4) The Administration shall give preference to projects which promote the ownership, participation in ownership, or management of small businesses owned by low-income individuals and small businesses eligible to receive contracts pursuant to section 8(a) of this Act.

"(5) The financial assistance authorized for projects under this subsection includes assistance advanced by grant, agreement, or contract. Grants and contracts.

"(6) The Administration is authorized to make payments under grants and contracts entered into under this subsection in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants, with necessary adjustments on account of overpayments or underpayments.

"(7) To the extent feasible, services under this subsection shall be provided in a location which is easily accessible to the individuals and small business concerns served.

"(8) The General Accounting Office shall provide for an independent and continuing evaluation of programs under sections 7(i), 7(j), and 8(a) of this Act, including full information on, and analysis of, the character and impact of managerial assistance provided, the location, income characteristics, and extent to which private resources and skills have been involved in these programs. Such evaluation together with any recommendations deemed advisable by the Comptroller General shall be reported to the Congress by January 1, 1981, and at any time thereafter at the discretion of the Comptroller General. Program evaluation. Report to Congress.

"(9) The Administration shall take such steps as may be necessary and appropriate, in coordination and cooperation with the heads of other Federal departments and agencies, to insure that contracts, subcontracts, and deposits made by the Federal Government or with programs aided with Federal funds are placed in such way as to further the purposes of sections 7(i), 7(j), and 8(a) of this Act.

"(10) There is established within the Administration a small business and capital ownership development program (hereinafter referred to as the 'Program') which shall provide assistance exclusively for small business concerns eligible to receive contracts pursuant to section 8(a) of this Act. The management of the Program shall be vested in the Associate Administrator for Minority Small Small business and capital ownership development program, establishment.

Business and Capital Ownership Development who shall also manage all other services and activities authorized under sections 7(j) and 8(a) of this Act.

Ante, pp. 1764, 1761.

"(A) The Program shall—

"(i) assist small business concerns participating in the Program to develop comprehensive business plans with specific business targets, objectives, and goals;

"(ii) provide for such other nonfinancial services as deemed necessary for the establishment, preservation, and growth of small business concerns participating in the Program, including but not limited to (I) loan packaging, (II) financial counseling, (III) accounting and bookkeeping assistance, (IV) marketing assistance, and (V) management assistance;

"(iii) assist small business concerns participating in the Program to obtain equity and debt financing;

"(iv) establish regular performance monitoring and reporting systems for small business concerns participating in the Program to assure compliance with their business plans;

"(v) analyze and report the causes of success and failure of small business concerns participating in the Program; and

"(vi) provide assistance necessary to help small business concerns participating in the Program to procure surety bonds, with such assistance including, but not limited to, (I) the preparation of application forms required to receive a surety bond, (II) special management and technical assistance designed to meet the specific needs of small business concerns participating in the Program and which have received or are applying to receive a surety bond, and (III) preparation of all forms necessary to receive a surety bond guarantee from the Administration pursuant to title IV, part B of the Small Business Investment Act of 1958.

15 USC 694a.

"(B) Small business concerns eligible to receive contracts pursuant to section 8(a) of this Act shall participate in the Program.

"(C) No small business concern shall receive a contract pursuant to section 8(a) of this Act unless the Program is able to provide such small business concern with, but not limited to, such management, technical, and financial services as may be necessary to promote the competitive viability of the small business concern within a reasonable period of time.

Responsibilities.

"(11) The Associate Administrator for Minority Small Business and Capital Ownership Development shall be responsible for coordinating and formulating policies relating to Federal assistance to small business concerns eligible for assistance under section 7(i) of this Act and small business concerns eligible to receive contracts pursuant to section 8(a) of this Act.".

15 USC 636.

SEC. 205. Section 7(k) of the Small Business Act is amended by striking the words "7(i) and 7(j)" and inserting in lieu thereof "7(i), 7(j), and 8(a)".

15 USC 633.

SEC. 206. Section 4(b) of the Small Business Act is amended by striking "Associate Administrator for Minority Small Business" where it appears therein and by substituting the following: "Associate Administrator for Minority Small Business and Capital Ownership Development".

SEC. 207. Nothing in this chapter is intended to duplicate or limit any programs or projects administered by the Department of Commerce. 15 USC 647 note.

CHAPTER 2

SEC. 211. Section 8(d) of the Small Business Act is amended to read as follows: Contract opportunities for certain small business concerns. 15 USC 637.

"(d)(1) It is the policy of the United States that small business concerns, and small business concerns owned and controlled by socially and economically disadvantaged individuals, shall have the maximum practicable opportunity to participate in the performance of contracts let by any Federal agency.

"(2) The clause stated in paragraph (3) shall be included in all contracts let by any Federal agency except any contract which—

"(A) does not exceed $10,000;

"(B) including all subcontracts under such contracts will be performed entirely outside of any State, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico; or

"(C) is for services which are personal in nature.

"(3) The clause required by paragraph (2) shall be as follows:

"'(A) It is the policy of the United States that small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals shall have the maximum practicable opportunity to participate in the performance of contracts let by any Federal agency.

"'(B) The contractor hereby agrees to carry out this policy in the awarding of subcontracts to the fullest extent consistent with the efficient performance of this contract. The contractor further agrees to cooperate in any studies or surveys as may be conducted by the United States Small Business Administration or the awarding agency of the United States as may be necessary to determine the extent of the contractor's compliance with this clause.

"'(C) As used in this contract, the term "small business concern" shall mean a small business as defined pursuant to section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto. The term "small business concern owned and controlled by socially and economically disadvantaged individuals" shall mean a small business concern— Definitions. 15 USC 632.

"'(i) which is at least 51 per centum owned by one or more socially and economically disadvantaged individuals; or, in the case of any publicly owned business, at least 51 per centum of the stock of which is owned by one or more socially and economically disadvantaged individuals; and

"'(ii) whose management and daily business operations are controlled by one or more of such individuals.

"'The contractor shall presume that socially and economically disadvantaged individuals include Black Americans, Hispanic Americans, Native Americans, and other minorities, or any other individual found to be disadvantaged by the Administration pursuant to section 8(a) of the Small Business Act.

"'(D) Contractors acting in good faith may rely on written representations by their subcontractors regarding their status as either a small business concern or a small business concern owned and controlled by socially and economically disadvantaged individuals.'

"(4)(A) Each solicitation of an offer for a contract to be let by a Federal agency which is to be awarded pursuant to the negotiated method of procurement and which may exceed $1,000,000, in the case of a contract for the construction of any public facility, or $500,000, in the case of all other contracts, shall contain a clause notifying potential offering companies of the provisions of this subsection relating to contracts awarded pursuant to the negotiated method of procurement.

"(B) Before the award of any contract to be let, or any amendment or modification to any contract let, by any Federal agency which—

"(i) is to be awarded, or was let, pursuant to the negotiated method of procurement,

"(ii) is required to include the clause stated in paragraph (3),

"(iii) may exceed $1,000,000 in the case of a contract for the construction of any public facility, or $500,000 in the case of all other contracts, and

"(iv) which offers subcontracting possibilities,

the apparent successful offeror shall negotiate with the procurement authority a subcontracting plan which incorporates the information prescribed in paragraph (6). The subcontracting plan shall be included in and made a material part of the contract.

"(C) If, within the time limit prescribed in regulations of the Federal agency concerned, the apparent successful offeror fails to negotiate the subcontracting plan required by this paragraph, such offeror shall become ineligible to be awarded the contract. Prior compliance of the offeror with other such subcontracting plans shall be considered by the Federal agency in determining the responsibility of that offeror for the award of the contract.

"(D) No contract shall be awarded to any offeror unless the procurement authority determines that the plan to be negotiated by the offeror pursuant to this paragraph provides the maximum practicable opportunity for small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals to participate in the performance of the contract.

Incentives for small business subcontracting.

"(E) Notwithstanding any other provision of law, every Federal agency, in order to encourage subcontracting opportunities for small business concerns and small business concerns owned and controlled by the socially and economically disadvantaged individuals as defined in paragraph (3) of this subsection, is hereby authorized to provide such incentives as such Federal agency may deem appropriate in order to encourage such subcontracting opportunities as may be commensurate with the efficient and economical performance of the contract: *Provided*, That, this subparagraph shall apply only to contracts let pursuant to the negotiated method of procurement.

Subcontracting plans.

"(5)(A) Each solicitation of a bid for any contract to be let, or any amendment or modification to any contract let, by any Federal agency which—

"(i) is to be awarded pursuant to the formal advertising method of procurement,

"(ii) is required to contain the clause stated in paragraph (3) of this subsection,

"(iii) may exceed $1,000,000 in the case of a contract for the construction of any public facility, or $500,000, in the case of all other contracts, and

"(iv) offers subcontracting possibilities,

shall contain a clause requiring any bidder who is selected to be awarded a contract to submit to the Federal agency concerned a sub-

contracting plan which incorporates the information prescribed in paragraph (6).

"(B) If, within the time limit prescribed in regulations of the Federal agency concerned, the bidder selected to be awarded the contract fails to submit the subcontracting plan required by this paragraph, such bidder shall become ineligible to be awarded the contract. Prior compliance of the bidder with other such subcontracting plans shall be considered by the Federal agency in determining the responsibility of such bidder for the award of the contract. The subcontracting plan of the bidder awarded the contract shall be included in and made a material part of the contract.

"(6) Each subcontracting plan required under paragraph (4) or (5) shall include—

"(A) percentage goals for the utilization as subcontractors of small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals;

"(B) the name of an individual within the employ of the offeror or bidder who will administer the subcontracting program of the offeror or bidder and a description of the duties of such individual;

"(C) a description of the efforts the offeror or bidder will take to assure that small business concerns and small business concerns owned and controlled by the socially and economically disadvantaged individuals will have an equitable opportunity to compete for subcontracts;

"(D) assurances that the offeror or bidder will include the clause required by paragraph (2) of this subsection in all subcontracts which offer further subcontracting opportunities, and that the offeror or bidder will require all subcontractors (except small business concerns) who receive subcontracts in excess of $1,000,000 in the case of a contract for the construction of any public facility, or in excess of $500,000 in the case of all other contracts, to adopt a plan similar to the plan required under paragraph (4) or (5);

"(E) assurances that the offeror or bidder will submit such periodic reports and cooperate in any studies or surveys as may be required by the Federal agency or the Administration in order to determine the extent of compliance by the offeror or bidder with the subcontracting plan; and

"(F) a recitation of the types of records the successful offeror or bidder will maintain to demonstrate procedures which have been adopted to comply with the requirements and goals set forth in this plan, including the establishment of source lists of small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals; and efforts to identify and award subcontracts to such small business concerns.

"(7) The provisions of paragraphs (4), (5), and (6) shall not apply to offerors or bidders who are small business concerns.

"(8) The failure of any contractor or subcontractor to comply in good faith with— Breach of contract.

"(A) the clause contained in paragraph (3) of this subsection, or

"(B) any plan required of such contractor pursuant to the authority of this subsection to be included in its contract or subcontract,

shall be a material breach of such contract or subcontract.

"(9) Nothing contained in this subsection shall be construed to supersede the requirements of Defense Manpower Policy Number 4A (32A CFR Chap. 1) or any successor policy.

"(10) In the case of contracts within the provisions of paragraphs (4), (5), and (6), the Administration is authorized to—

"(A) assist Federal agencies and businesses in complying with their responsibilities under the provisions of this subsection, including the formulation of subcontracting plans pursuant to paragraph (4);

Review.

"(B) review any solicitation for any contract to be let pursuant to paragraphs (4) and (5) to determine the maximum practicable opportunity for small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals to participate as subcontractors in the performance of any contract resulting from any solicitation, and to submit its findings, which shall be advisory in nature, to the appropriate Federal agency; and

Subcontracting plans, compliance evaluation.

"(C) evaluate compliance with subcontracting plans, either on a contract-by-contract basis, or in the case contractors having multiple contracts, on an aggregate basis.

Report to congressional committees.

"(11) At the conclusion of each fiscal year, the Administration shall submit to the Senate Select Committee on Small Business and the Committee on Small Business of the House of Representatives a report on subcontracting plans found acceptable by any Federal agency which the Administration determines do not contain maximum practicable opportunities for small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals to participate in the performance of contracts described in this subsection.".

CHAPTER 3

15 USC 644.

SEC. 221. Section 15 of the Small Business Act is amended by adding at the end of subsection (f) the following new subsections:

"(g) The head of each Federal agency shall, after consultation with the Administration, establish goals for the participation by small business concerns, and by small business concerns owned and controlled by socially and economically disadvantaged individuals, in procurement contracts of such agency having values of $10,000 or more. Goals established under this subsection shall be jointly established by the Administration and the head of each Federal agency and shall realistically reflect the potential of small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals to perform such contracts and to perform subcontracts under such contracts. Whenever the Administration and the head of any Federal agency fail to agree on established goals, the disagreement shall be submitted to the Administrator of the Office of Federal Procurement Policy for final determination.

Reports to Small Business Administration.

"(h) At the conclusion of each fiscal year, the head of each Federal agency shall report to the Administration on the extent of participation by small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals in procurement contracts of such agency. Such reports shall contain appropriate justifications for failure to meet the goals established under subsection (g) of this section. The Administration shall submit to the Select Committee on Small Business of the Senate and

Submittal of information to congressional committees.

the Committee on Small Business of the House of Representatives information obtained from such reports, together with appropriate comments.

"(i) Nothing in this Act or any other provision of law precludes exclusive small business set-asides for procurements of architectural and engineering services, research, development, test and evaluation, and each Federal agency is authorized to develop such set-asides to further the interests of small business in those areas.

Small purchase procedures.

"(j) Each contract for the procurement of goods and services which has an anticipated value of less than $10,000 and which is subject to small purchase procedures shall be reserved exclusively for small business concerns unless the contracting officer is unable to obtain offers from two or more small business concerns that are competitive with market prices and in terms of quality and delivery of the goods or services being purchased. In utilizing small purchase procedures, contracting officers shall, wherever circumstances permit, choose a method of payment which minimizes paperwork and facilitates prompt payment to contractors.

Office of Small and Disadvantaged Business Utilization, establishment.

"(k) There is hereby established in each Federal agency having procurement powers an office to be known as the 'Office of Small and Disadvantaged Business Utilization'. The management of each such office shall be vested in an officer or employee of such agency who shall—

"(1) be known as the 'Director of Small and Disadvantaged Business Utilization' for such agency,

"(2) be appointed by the head of such agency,

"(3) be responsible only to, and report directly to, the head of such agency or to his deputy,

"(4) be responsible for the implementation and execution of the functions and duties under sections 8 and 15 of this Act which relate to such agency,

15 USC 637, 644.

"(5) have supervisory authority over personnel of such agency to the extent that the functions and duties of such personnel relate to functions and duties under sections 8 and 15 of this Act,

"(6) assign a small business technical adviser to each office to which the Administration has assigned a procurement center representative—

"(A) who shall be a full-time employee of the procuring activity and shall be well qualified, technically trained and familiar with the supplies or services purchased at the activity, and

"(B) whose principal duty shall be to assist the Administration procurement center representative in his duties and functions relating to sections 8 and 15 of this Act, and

"(7) cooperate, and consult on a regular basis, with the Administration with respect to carrying out the functions and duties described in paragraph (4) of this subsection.

"This subsection shall not apply to the Administration.".

Uniform Federal procurement regulations and procedures.
41 USC 405a.
41 USC 401 note.

SEC. 222. The Administrator of the Office of Federal Procurement Policy is authorized and directed, pursuant to the authority conferred by Public Law 93-400 and subject to the procedures set forth in such Public Law, to promulgate a single, simplified, uniform Federal procurement regulation and to establish procedures for insuring compliance with such provisions by all Federal agencies. In formulating such regulations and procedures the Administrator of the Office of Federal Procurement Policy shall, in consultation with the Small Business Administration, conduct analyses of the impact on small business concerns resulting from revised procurement regulations, and

incorporate into revised procurement regulations simplified bidding, contract performance, and contract administration procedures for small business concerns.

Information availability.
15 USC 637b.

SEC. 223. (a) For any contract to be let by any Federal agency, such agency shall provide to any small business concern upon its request—

(1) a copy of bid sets and specifications with respect to such contract;

(2) the name and telephone number of an employee of such agency to answer questions with respect to such contract; and

(3) adequate citations to each major Federal law or agency rule with which such business concern must comply in performing such contract.

(b) Subsection (a) shall not apply to any contract or subcontract under such contract which—

(1) will be performed entirely outside any State, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico; or

(2) is for services which are personal in nature.

Definitions.
15 USC 637c.

SEC. 224. (a) For purposes of this Act—

(1) the term "Administrator" means the Administrator of the Small Business Administration;

(2) the term "Federal agency" has the meaning given the term "agency" by section 551(1) of title 5, United States Code, but does not include the United States Postal Service or the General Accounting Office; and

(3) the term "Government procurement contract" means any contract for the procurement of any goods or services by any Federal agency.

15 USC 632.

(b) Section 3 of the Small Business Act is amended by inserting "(a)" after "Sec. 3." and by adding at the end thereof the following new subsection:

"(b) For purposes of this Act, any reference to an agency or department of the United States, and the term 'Federal agency', shall have the meaning given the term 'agency' by section 551(1) of title 5, United States Code, but does not include the United States Postal Service or the General Accounting Office.".

CHAPTER 4

15 USC 636.

SEC. 231. Section 7(a) of the Small Business Act is amended by inserting after the phrase "The Administration is empowered to make loans to enable small-business concerns" the phrase ", or small-business concerns 100 percent owned and controlled by an Indian tribe as defined in section 4(a) of the Indian Self-Determination and Education Assistance Act,".

25 USC 450b.

15 USC 644.

SEC. 232. Section 15(f) of the Small Business Act is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1980".

Report to congressional committees.

SEC. 233. Section 15 of the Small Business Act is amended by adding at the end thereof the following new subsection:

"(l)(1) The President shall, not later than October 1, 1979, transmit to the Select Committee on Small Business and the Committee on Armed Services of the Senate and to the Committee on Small Business and the Committee on Armed Services of the House of Representatives a report on the labor surplus area procurement program under this section and the manpower policy described in subparagraph (D).

Such report, together with recommendations, shall include, but not be limited to—

"(A) an analysis of the effectiveness of such labor surplus area procurement program, including its effectiveness in creating jobs in the areas of high unemployment and the method by which labor markets are classified and designated as labor surplus areas;

"(B) its potential benefits to Federal, State and local governments, including tax benefits, reductions in Federal payments to labor surplus areas, and reductions in State unemployment costs where such information is available;

"(C) its potential costs, including its impact on the efficient utilization of Federal resources, its effect on the local economy of non-labor surplus areas, its impact on small business concerns not in labor surplus areas to the extent such information is available, and its impact on contract costs to the Federal Government; and

"(D) with respect to the implementation by the Department of Defense of Defense Manpower Policy Number 4A (32A CFR Chapter 1) or any successor policy, in addition to the matters required by subparagraphs (A), (B), and (C), information concerning the impact on such matters of the expenditure of any funds which were available for procurement and which were not obligated for expenditure on September 30, 1977.

Approved October 24, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-949 (Comm. on Small Business) and No. 95-1714 (Comm. of Conference).

SENATE REPORTS: No. 95-1070 (Select Comm. on Small Business) and No. 95-1140 (Comm. on Governmental Affairs).

CONGRESSIONAL RECORD, Vol. 124 (1978):

Mar. 20, considered and passed House.

Sept. 15, considered and passed Senate, amended.

Oct. 6, House agreed to conference report.

Oct. 10, Senate agreed to conference report.

Public Law 95-508
95th Congress

An Act

Oct. 24, 1978
[H.R. 12165]

To extend until the close of June 30, 1981, the existing suspension of duties on certain metal waste and scrap, unwrought metal, and other articles of metal, and for other purposes.

Metal articles, duty suspension.
19 USC 1202 app.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended—

(1) by striking out the colon at the end of the superior heading to items 911.10, 911.11, and 911.12 and inserting in lieu thereof "or to be processed by shredding, shearing, compacting, or similar processing which renders them fit only for the recovery of the metal content:"; and

(2) by striking out "6/30/78" in each of items 911.10, 911.11, and 911.12 and inserting in lieu thereof "6/30/81".

Effective date.
19 USC 1202 app. note.

(b) The amendments made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

19 USC 1202 app. note.

(c) Upon request therefore filed with the customs officer concerned on or before the ninetieth day after the date of the enactment of this Act, the entry or withdrawal of any article—

(1) which was made after June 30, 1978, and before the date of the enactment of this Act, and

(2) with respect to which there would have been no duty if the amendment made by subsection (a)(2) applied to such entry or withdrawal,

shall, notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated as though such entry or withdrawal had been made on the date of the enactment of this Act.

19 USC 1202 app.

SEC. 2. (a) Subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by adding in numerical sequence the following new item:

"	903.60	Mixtures of mashed or macerated hot red peppers and salt (provided for in item 141.77 or 141.81, part 8C, schedule 1).	Free	No change	On or before 6/30/81 "

Effective date.
19 USC 1202 app. note.

(b) The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of enactment of this Act.

Approved October 24, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1361 (Comm. on Ways and Means).
SENATE REPORT No. 95-1243 (Comm. on Finance).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 12, considered and passed House.
Sept. 30, considered and passed Senate, amended.
Oct. 10, House concurred in Senate amendments.

Public Law 95-509
95th Congress

An Act

To authorize appropriations for the Department of Energy for national security programs for fiscal year 1979, and for other purposes.

Oct. 24, 1978
[H.R. 11686]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1979".

Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1979.

TITLE I—NATIONAL SECURITY PROGRAMS

OPERATING EXPENSES

SEC. 101. Funds are hereby authorized to be appropriated to the Department of Energy (hereinafter in this title referred to as the "Department") for fiscal year 1979 for operating expenses incurred in carrying out national security programs, including scientific research and development in support of the armed services, strategic and critical materials necessary for the common defense, and military applications of nuclear energy as follows:

(1) For Weapons Activities, $1,237,194,000;
(2) For Special Materials Production, $514,500,000;
(3) For Inertial Confinement Fusion, $104,000,000;
(4) For Naval Reactor Development, $265,600,000;
(5) For Defense Intelligence and Arms Control, $32,600,000;
(6) For Nuclear Materials Security and Safeguards, $45,089,000; and
(7) For Program Direction and Management Support Related to National Security Programs, $47,151,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 102. Funds are hereby authorized to be appropriated to the Department for fiscal year 1979, for plant and capital equipment, including planning, construction, acquisition, or modification of facilities (including land acquisition), and for acquisition and fabrication of capital equipment not related to construction, necessary for national security programs, as follows:

(1) For weapons activities:

Project 79-7-a Tonopah Test Range upgrade, Phase II, Sandia Laboratories, Albuquerque, New Mexico, $4,000,000.

Project 79-7-b, fire protection improvements, Los Alamos Scientific Laboratory, Los Alamos, New Mexico (A-E and long lead procurement only), $2,000,000.

Project 79-7-c, proton storage ring, Los Alamos Scientific Laboratory, Los Alamos, New Mexico, $5,000,000.

Project 79-7-d, water cooling station upgrade, Lawrence Livermore Laboratory, Livermore, California, $2,300,000.

Project 79-7-e, production and assembly facilities, Pantex Plant, Amarillo, Texas, $10,000,000.

Project 79-7-f, stockpile quality evaluation facility, Y-12 Plant, Oak Ridge, Tennessee, $2,300,000.

Project 79-7-l, Systems R&D Lab, Sandia Laboratories, Albuquerque, New Mexico (A-E), $1,000,000.

Project 79-7-m, Weapons Materials Analytical Lab, Pantex Plant, Amarillo, Texas, $1,500,000.

Project 79-7-n, utility systems restoration, Y-12 Plant, Oak Ridge, Tennessee, $2,200,000.

Project 79-7-o, universal pilot plant, high explosives, Pantex Plant, Amarillo, Texas, $3,500,000.

Project 79-7-p, facilities for new modern strategic bomb, various locations, $28,000,000.

(2) For special materials production:

Project 79-7-h, utilities replacement and expansion, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho Falls, Idaho, $10,500,000.

Project 79-7-i, transmission and distribution systems upgrading, Richland, Washington, $7,000,000.

Project 79-7-j, pollutant discharge elimination, Savannah River, South Carolina, $9,000,000.

(3) For defense waste management:

Project 79-7-k, waste management facilities, Savannah River, South Carolina, $25,000,000.

(4) For project 79-6, general plant projects—

(A) for weapons activities, $26,400,000;

(B) for special materials production, $15,250,000;

(C) for naval reactor development, $3,000,000; and

(D) for waste management, $5,950,000.

(5) For project 79-8, plant engineering and design—

(A) for special materials production, $1,500,000;

(B) for defense waste management, $12,000,000;

(C) for military application, $32,000,000; and

(D) for inertial confinement fusion, $1,000,000.

(6) For capital equipment not related to construction—

(A) for weapons activities, $86,400,000;

(B) for special materials production, $32,000,000;

(C) for waste management, $8,000,000;

(D) for inertial confinement fusion, $8,200,000;

(E) for naval reactor development, $22,000,000;

(F) for nuclear material security and safeguards, $3,000,000; and

(G) for program direction and management support, $300,000.

ADDITIONAL AUTHORIZATIONS FOR PREVIOUSLY AUTHORIZED PROJECTS

SEC. 103. Funds are hereby authorized to be appropriated to the Department for fiscal year 1979, for national security projects previously authorized by law, as follows:

(1) For project 74-1-b, replacement ventilation air filter, F Chemical Separations Area, Savannah River, South Carolina, $2,100,000; for a total authorization of $7,300,000.

(2) For project 75-7-c, intermediate-level waste management facilities, Oak Ridge National Laboratory, Oak Ridge, Tennessee, $1,000,000; for a total authorization of $11,500,000.

(3) For project 77-13-a, fluorinel dissolution process and fuel receiving improvements, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho Falls, Idaho, $50,000,000; for a total authorization of $65,000,000.

(4) For project 77-13-f, waste isolation pilot plant, Delaware Basin, southeast New Mexico, $40,000,000; for a total authorization of $68,000,000.

(5) For project 77-13-g, safeguards and security upgrading, production facilities, multiple sites, $3,800,000; for a total authorization of $20,200,000.

(6) For project 78-4-a, a high energy laser facility (NOVA), Lawrence Livermore Laboratory, Livermore, California, $187,000,000; for a total authorization of $195,000,000.

(7) For project 78-16-c, high explosive flash radiography facility, Lawrence Livermore Laboratory, Livermore, California, $5,900,000; for a total authorization of $10,900,000.

(8) For project 78-16-d, weapons safeguards, various locations, $9,000,000; for a total authorization of $26,000,000.

(9) For project 78-16-g, radioactive liquid waste improvement, Los Alamos Scientific Laboratory, Los Alamos, New Mexico, $5,700,000; for a total authorization of $6,300,000.

(10) For project 78-16-i; laboratory support complex, Los Alamos Scientific Laboratory, Los Alamos, New Mexico, $14,000,000; for a total authorization of $16,000,000.

(11) For project 78-17-a, production component warehouse, Pantex Plant, Amarillo, Texas, $2,550,000; for a total authorization of $2,800,000.

(12) For project 78-17-c, core facilities office building, utilities and roads, Lawrence Livermore Laboratory, Livermore, California, $11,000,000; for a total authorization of $12,300,000.

(13) For project 78-17-d, steam plant improvements, Y-12 Plant, Oak Ridge, Tennessee, $7,000,000; for a total authorization of $10,000,000.

(14) For project 78-18-a, high level waste storage and waste management facilities, Richland, Washington, $9,000,000; for a total authorization of $27,000,000.

(15) For project 78-18-c, environmental, safety and security improvements to waste management and materials processing facilities, Richland, Washington, $13,000,000; for a total authorization of $28,500,000.

TITLE II—GENERAL PROVISIONS

REPROGRAMMING

SEC. 201. Except as otherwise provided in this Act—

(1) no amount appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for that particular program by this Act, and

(2) no amount appropriated pursuant to this Act may be used for any program which has not been presented to, or requested of, the Congress,

unless a period of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after the receipt by the appropriate committees of Congress of notice given by the Secretary of Energy (hereinafter in this title referred to as the "Secretary") containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or unless each such committee before the expiration of such period has transmitted to the Secretary written

notice to the effect that such committee has no objection to the proposed action.

PROJECT COST VARIATION PROVISION

SEC. 202. (a) No project for which appropriations are authorized in section 102 (1), (2), or (3) may be started if the current estimated cost of such project exceeds by more than 25 percent the amount authorized for such project.

(b) At any time the current estimated cost of any such project under construction exceeds by more than 25 percent the total amount authorized by law for such project, the Secretary shall (1) promptly notify the appropriate committees of the Congress of such fact and include in the notification an explanation for the increased cost of the project and the revised current estimated cost figures for such project, and (2) not proceed with such project unless and until additional funds for such project are authorized by law.

(c) The provisions of this section shall not apply to any project which has a current estimated cost of less than $5,000,000.

LIMITS ON GENERAL PLANT PROJECTS

SEC. 203. The Secretary is authorized to start any project set forth under section 102(4) only if—

(1) the then maximum currently estimated cost of such project does not exceed $750,000 and the then maximum currently estimated cost of any building included in such project does not exceed $300,000, except that the building cost limitation may be exceeded if the Secretary determines that it is necessary to do so in the interest of efficiency and economy; and

(2) the total cost of all projects undertaken under such section does not exceed the estimated cost set forth in such section by more than 25 percent.

AVAILABILITY OF FUNDS

SEC. 204. Subject to the provisions of appropriations Acts, amounts appropriated pursuant to sections 101 and 102 of this Act for policy and management activities, for general plant projects, and for plant engineering and design are available for use, when necessary, in connection with all national security programs of the Department of Energy.

AUTHORIZATION TO PERFORM CONSTRUCTION DESIGN SERVICES

SEC. 205. The Secretary is authorized to perform construction design services for any construction project of the Department of Energy in support of national security programs which have been presented to, or requested of, the Congress in amounts not in excess of the amount specified in section 102(5). In any case in which the estimated design cost for any project is in excess of $300,000, the Secretary shall notify the appropriate Committees of Congress in writing of the estimated design cost for such project at least 30 days before any funds are obligated for design services for such project.

Notification to congressional committees.

ADJUSTMENTS FOR PAY INCREASES

SEC. 206. Appropriations authorized by this Act for salary, pay, retirement, or other benefits for Federal employees may be increased by such amounts as may be necessary for increases in such benefits authorized by law.

RESTRICTIONS ON THE B43 BOMB

SEC. 207. No funds authorized to be appropriated by this Act may be used for the testing, modernization, rebuilding, or replacement of any component of the B43 bomb, except that such funds may be used for quality and reliability testing of such bomb and for the replacement of limited-life components of such bomb.

FUTURE REQUESTS OF AUTHORIZATIONS FOR APPROPRIATIONS

SEC. 208. The Secretary shall submit to the Congress for fiscal year 1980, and for each subsequent fiscal year, a single request for authorizations for appropriations for all programs of the Department of Energy involving scientific research and development in support of the armed forces, military applications of nuclear energy, strategic and critical materials necessary for the common defense, and other programs which involve the common defense and security of the United States. Submittal to Congress. 42 USC 7271.

STUDY OF CAPITAL INVESTMENT REQUIREMENTS

SEC. 209. (a) The Secretary shall conduct a study of the status of all Government-owned, contractor-operated, plant, capital equipment, facilities, and utilities which support the United States nuclear weapons program and submit the results of such study to the Congress at the same time that the Department of Energy authorization request for fiscal year 1980 is submitted to the Congress. Submittal to Congress. 42 USC 7271 note.

(b) The Secretary shall include in such report—

(1) an analysis of the measures required to restore the nuclear weapons complex of the United States to a satisfactory condition, and

(2) a plan containing proposed schedules for carrying out and funding any restoration found to be necessary.

REQUIREMENT FOR MILITARY PERSONNEL DETAILED TO THE DEPARTMENT OF ENERGY TO BE INCLUDED IN AUTHORIZED END STRENGTHS

SEC. 210. Section 625(b) of the Department of Energy Organization Act (91 Stat. 598) is amended by striking out the second sentence. 42 USC 7235.

RESTRICTIONS ON SM-2 WARHEAD

SEC. 211. None of the funds authorized to be appropriated by this or any other Act may be obligated or expended for the development of a nuclear warhead for the SM-2 standard missile until an arms control impact statement for such warhead has been filed with the Congress.

Approved October 24, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1108 (Comm. on Armed Services).
SENATE REPORT No. 95-961 accompanying S. 2693 (Comm. on Armed Services) and (Comm. on Energy and Natural Resources).
CONGRESSIONAL RECORD, Vol. 124 (1978):
May 16, 17, considered and passed House.
Sept. 30, considered and passed Senate, amended, in lieu of S. 2693.
Oct. 11, House concurred in Senate amendment.

Public Law 95-510
95th Congress

An Act

Oct. 24, 1978
[H.R. 13418]

To amend the Small Business Act by transferring thereto those provisions of the Domestic Volunteer Service Act of 1973 affecting the operation of volunteer programs to assist small business, to increase the maximum allowable compensation and travel expenses for experts and consultants, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Small Business Act, amendment. Volunteer programs, establishment and operation.

SEC. 101. Section 8(b)(1) of the Small Business Act (15 U.S.C. 637(b)(1)) is amended by striking subparagraph (1)(B) and inserting in lieu thereof the following subparagraphs:

"(B) To establish, conduct, and publicize, and to recruit, select, and train volunteers for (and to enter into contracts, grants, or cooperative agreements therefor), volunteer programs, including a Service Corps of Retired Executives (SCORE) and an Active Corps of Executive (ACE) for the purposes of section 8(b)(1)(A) of this Act; and to facilitate the implementation of such volunteer programs the Administration may maintain at its headquarters and pay the expenses of a team of volunteers subject to such conditions and limitations as the Administration deems appropriate: *Provided*, That any such payments made pursuant to this subparagraph shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(C) To allow any individual or group of persons participating with it in furtherance of the purposes of subparagraphs (A) and (B) to use the Administration's office facilities and related material and services as the Administration deems appropriate, including clerical and stenographic services:

"(i) such volunteers, while carrying out activities under section 8(b)(1) of this Act shall be deemed Federal employees for the purposes of the Federal tort claims provisions in title 28, United States Code; and for the purposes of subchapter I of chapter 81 of title 5, United States Code (relative to compensation to Federal employees for work injuries) shall be deemed civil employees of the United States within the meaning of the term 'employee' as defined in section 8101 of title 5, United States Code, and the provisions of that subchapter shall apply except that in computing compensation benefits for disability or death, the monthly pay of a volunteer shall be deemed that received under the entrance salary for a grade GS-11 employee;

5 USC 8101 *et seq.*

Volunteer reimbursement.

"(ii) the Administrator is authorized to reimburse such volunteers for all necessary out-of-pocket expenses incident to their provision of services under this Act, or in connection with attendance at meetings sponsored by the Administration, or for the cost of malpractice insurance, as the Administrator shall determine, in accordance with regulations which

he or she shall prescribe, and, while they are carrying out such activities away from their homes or regular places of business, for travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5, United States Code, for individuals serving without pay; and

"(iii) such volunteers shall in no way provide services to a client of such Administration with a delinquent loan outstanding, except upon a specific request signed by such client for assistance in connection with such matter.

"(D) Notwithstanding any other provision of law, no payment for supportive services or reimbursement of out-of-pocket expenses made to persons serving pursuant to section 8(b)(1) of this Act shall be subject to any tax or charge or be treated as wages or compensation for the purposes of unemployment, disability, retirement, public assistance, or similar benefit payments, or minimum wage laws. 15 USC 637.

"(E) Notwithstanding any other provision of law and pursuant to regulations which the Administrator shall prescribe, counsel may be employed and counsel fees, court costs, bail, and other expenses incidental to the defense of volunteers may be paid in judicial or administrative proceedings arising directly out of the performance of activities pursuant to section 8(b)(1) of this Act, as amended (15 U.S.C. 637(b)(1)) to which volunteers have been made parties. Defense proceedings, expenses.

"(F) In carrying out its functions under section 8(b)(1) of this Act, the Administration is authorized to accept, in the name of the Administration, and employ or dispose of in furtherance of the purposes of this Act, any money or property, real, personal, or mixed, tangible, or intangible, received by gift, devise, bequest, or otherwise; and, further, to accept gratuitous services and facilities.".

SEC. 102. (a) Title III of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5031 et seq.), is hereby repealed. Repeals.

(b) Section 503 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5083), is hereby repealed.

SEC. 103. Section 5(c) of the Small Business Act (15 U.S.C. 634(c)), is amended by striking the last sentence and inserting in lieu thereof the following: "Any individual so employed may be compensated at a rate not in excess of the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code, including traveltime, and, while such individual is away from his or her home or regular place of business, he or she may be allowed travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5, United States Code.". Experts and consultants, compensation and expenses.

SEC. 104. Section 7(k)(4) of the Small Business Act (15 U.S.C. 636(k)(4)), is amended by striking out "$100 per diem" and inserting in lieu thereof "the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code".

Effective date.
15 USC 634 note.

SEC. 105. This Act shall be effective October 1, 1979.

Approved October 24, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1375 (Comm. on Small Business).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 25, considered and passed House.
Oct. 11, considered and passed Senate.

Public Law 95-511
95th Congress

An Act

To authorize electronic surveillance to obtain foreign intelligence information.

Oct. 25, 1978
[S. 1566]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Intelligence Surveillance Act of 1978".

Foreign Intelligence Surveillance Act of 1978.
50 USC 1801 note.

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TITLE I—ELECTRONIC SURVEILLANCE WITHIN THE UNITED STATES FOR FOREIGN INTELLIGENCE PURPOSES

DEFINITIONS

SEC. 101. As used in this title: 50 USC 1801.

(a) "Foreign power" means—

(1) a foreign government or any component thereof, whether or not recognized by the United States;

(2) a faction of a foreign nation or nations, not substantially composed of United States persons;

(3) an entity that is openly acknowledged by a foreign government or governments to be directed and controlled by such foreign government or governments;

(4) a group engaged in international terrorism or activities in preparation therefor;

(5) a foreign-based political organization, not substantially composed of United States persons; or

(6) an entity that is directed and controlled by a foreign government or governments.

(b) "Agent of a foreign power" means—

(1) any person other than a United States person, who—

(A) acts in the United States as an officer or employee of a foreign power, or as a member of a foreign power as defined in subsection (a)(4);

(B) acts for or on behalf of a foreign power which engages in clandestine intelligence activities in the United States contrary to the interests of the United States, when the circumstances of such person's presence in the United States indicate that such person may engage in such activities in the United States, or when such person knowingly aids or abets any person in the conduct of such activities or knowingly conspires with any person to engage in such activities; or

(2) any person who—

(A) knowingly engages in clandestine intelligence gathering activities for or on behalf of a foreign power, which activities involve or may involve a violation of the criminal statutes of the United States;

(B) pursuant to the direction of an intelligence service or network of a foreign power, knowingly engages in any other clandestine intelligence activities for or on behalf of such foreign power, which activities involve or are about to involve a violation of the criminal statutes of the United States;

(C) knowingly engages in sabotage or international terrorism, or activities that are in preparation therefor, for or on behalf of a foreign power; or

(D) knowingly aids or abets any person in the conduct of activities described in subparagraph (A), (B), or (C) or knowingly conspires with any person to engage in activities described in subparagraph (A), (B), or (C).

(c) "International terrorism" means activities that—

(1) involve violent acts or acts dangerous to human life that are a violation of the criminal laws of the United States or of any State, or that would be a criminal violation if committed within the jurisdiction of the United States or any State;

(2) appear to be intended—

(A) to intimidate or coerce a civilian population;

(B) to influence the policy of a government by intimidation or coercion; or

(C) to affect the conduct of a government by assassination or kidnapping; and

(3) occur totally outside the United States, or transcend national boundaries in terms of the means by which they are accomplished, the persons they appear intended to coerce or intimidate, or the locale in which their perpetrators operate or seek asylum.

(d) "Sabotage" means activities that involve a violation of chapter 105 of title 18, United States Code, or that would involve such a violation if committed against the United States.

18 USC 2151 *et seq.*

(e) "Foreign intelligence information" means—

(1) information that relates to, and if concerning a United States person is necessary to, the ability of the United States to protect against—

(A) actual or potential attack or other grave hostile acts of a foreign power or an agent of a foreign power;

(B) sabotage or international terrorism by a foreign power or an agent of a foreign power; or

(C) clandestine intelligence activities by an intelligence service or network of a foreign power or by an agent of a foreign power; or

(2) information with respect to a foreign power or foreign territory that relates to, and if concerning a United States person is necessary to—

(A) the national defense or the security of the United States; or

(B) the conduct of the foreign affairs of the United States.

(f) "Electronic surveillance" means—

(1) the acquisition by an electronic, mechanical, or other surveillance device of the contents of any wire or radio communication sent by or intended to be received by a particular, known United States person who is in the United States, if the contents are acquired by intentionally targeting that United States person, under circumstances in which a person has a reasonable expectation of privacy and a warrant would be required for law enforcement purposes;

(2) the acquisition by an electronic, mechanical, or other surveillance device of the contents of any wire communication to or from a person in the United States, without the consent of any party thereto, if such acquisition occurs in the United States;

(3) the intentional acquisition by an electronic, mechanical, or other surveillance device of the contents of any radio communication, under circumstances in which a person has a reasonable expectation of privacy and a warrant would be required for law enforcement purposes, and if both the sender and all intended recipients are located within the United States; or

(4) the installation or use of an electronic, mechanical, or other surveillance device in the United States for monitoring to acquire information, other than from a wire or radio communication, under circumstances in which a person has a reasonable expectation of privacy and a warrant would be required for law enforcement purposes.

(g) "Attorney General" means the Attorney General of the United States (or Acting Attorney General) or the Deputy Attorney General.

(h) "Minimization procedures", with respect to electronic surveillance, means—

(1) specific procedures, which shall be adopted by the Attorney General, that are reasonably designed in light of the purpose and technique of the particular surveillance, to minimize the acquisition and retention, and prohibit the dissemination, of nonpublicly available information concerning unconsenting United States persons consistent with the need of the United States to obtain, produce, and disseminate foreign intelligence information;

(2) procedures that require that nonpublicly available information, which is not foreign intelligence information, as defined in subsection (e)(1), shall not be disseminated in a manner that identifies any United States person, without such person's consent, unless such person's identity is necessary to understand foreign intelligence information or assess its importance;

(3) notwithstanding paragraphs (1) and (2), procedures that allow for the retention and dissemination of information that is evidence of a crime which has been, is being, or is about

to be committed and that is to be retained or disseminated for law enforcement purposes; and

(4) notwithstanding paragraphs (1), (2), and (3), with respect to any electronic surveillance approved pursuant to section 102(a), procedures that require that no contents of any communication to which a United States person is a party shall be disclosed, disseminated, or used for any purpose or retained for longer than twenty-four hours unless a court order under section 105 is obtained or unless the Attorney General determines that the information indicates a threat of death or serious bodily harm to any person.

(i) "United States person" means a citizen of the United States, an alien lawfully admitted for permanent residence (as defined in section 101(a)(20) of the Immigration and Nationality Act), an unincorporated association a substantial number of members of which are citizens of the United States or aliens lawfully admitted for permanent residence, or a corporation which is incorporated in the United States, but does not include a corporation or an association which is a foreign power, as defined in subsection (a)(1), (2), or (3).

8 USC 1101.

(j) "United States", when used in a geographic sense, means all areas under the territorial sovereignty of the United States and the Trust Territory of the Pacific Islands.

(k) "Aggrieved person" means a person who is the target of an electronic surveillance or any other person whose communications or activities were subject to electronic surveillance.

(l) "Wire communication" means any communication while it is being carried by a wire, cable, or other like connection furnished or operated by any person engaged as a common carrier in providing or operating such facilities for the transmission of interstate or foreign communications.

(m) "Person" means any individual, including any officer or employee of the Federal Government, or any group, entity, association, corporation, or foreign power.

(n) "Contents", when used with respect to a communication, includes any information concerning the identity of the parties to such communication or the existence, substance, purport, or meaning of that communication.

(o) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Trust Territory of the Pacific Islands, and any territory or possession of the United States.

AUTHORIZATION FOR ELECTRONIC SURVEILLANCE FOR FOREIGN INTELLIGENCE PURPOSES

50 USC 1802.

SEC. 102. (a)(1) Notwithstanding any other law, the President, through the Attorney General, may authorize electronic surveillance without a court order under this title to acquire foreign intelligence information for periods of up to one year if the Attorney General certifies in writing under oath that—

(A) the electronic surveillance is solely directed at—

(i) the acquisition of the contents of communications transmitted by means of communications used exclusively between or among foreign powers, as defined in section 101(a)(1), (2), or (3); or

(ii) the acquisition of technical intelligence, other than the spoken communications of individuals, from property or premises under the open and exclusive control of a foreign power, as defined in section 101(a) (1), (2), or (3);

(B) there is no substantial likelihood that the surveillance will acquire the contents of any communication to which a United States person is a party; and

(C) the proposed minimization procedures with respect to such surveillance meet the definition of minimization procedures under section 101(h); and

if the Attorney General reports such minimization procedures and any changes thereto to the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence at least thirty days prior to their effective date, unless the Attorney General determines immediate action is required and notifies the committees immediately of such minimization procedures and the reason for their becoming effective immediately. Report to congressional committees.

(2) An electronic surveillance authorized by this subsection may be conducted only in accordance with the Attorney General's certification and the minimization procedures adopted by him. The Attorney General shall assess compliance with such procedures and shall report such assessments to the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence under the provisions of section 108(a). Report to congressional committees.

(3) The Attorney General shall immediately transmit under seal to the court established under section 103(a) a copy of his certification. Such certification shall be maintained under security measures established by the Chief Justice with the concurrence of the Attorney General, in consultation with the Director of Central Intelligence, and shall remain sealed unless—

(A) an application for a court order with respect to the surveillance is made under sections 101(h)(4) and 104; or

(B) the certification is necessary to determine the legality of the surveillance under section 106(f).

(4) With respect to electronic surveillance authorized by this subsection, the Attorney General may direct a specified communication common carrier to— Communication common carrier, duties.

(A) furnish all information, facilities, or technical assistance necessary to accomplish the electronic surveillance in such a manner as will protect its secrecy and produce a minimum of interference with the services that such carrier is providing its customers; and

(B) maintain under security procedures approved by the Attorney General and the Director of Central Intelligence any records concerning the surveillance or the aid furnished which such carrier wishes to retain.

The Government shall compensate, at the prevailing rate, such carrier for furnishing such aid. Compensation.

(b) Applications for a court order under this title are authorized if the President has, by written authorization, empowered the Attorney General to approve applications to the court having jurisdiction under section 103, and a judge to whom an application is made may, notwithstanding any other law, grant an order, in conformity with section 105, approving electronic surveillance of a foreign power or an agent of a foreign power for the purpose of obtaining foreign intelligence information, except that the court shall not have jurisdic- Applications approval.

tion to grant any order approving electronic surveillance directed solely as described in paragraph (1)(A) of subsection (a) unless such surveillance may involve the acquisition of communications of any United States person.

DESIGNATION OF JUDGES

Court to hear applications and grant orders. 50 USC 1803.

SEC. 103. (a) The Chief Justice of the United States shall publicly designate seven district court judges from seven of the United States judicial circuits who shall constitute a court which shall have jurisdiction to hear applications for and grant orders approving electronic surveillance anywhere within the United States under the procedures set forth in this Act, except that no judge designated under this subsection shall hear the same application for electronic surveillance under this Act which has been denied previously by another judge designated under this subsection. If any judge so designated denies an application for an order authorizing electronic surveillance under this Act, such judge shall provide immediately for the record a written statement of each reason for his decision and, on motion of the United States, the record shall be transmitted, under seal, to the court of review established in subsection (b).

Court of review.

(b) The Chief Justice shall publicly designate three judges, one of whom shall be publicly designated as the presiding judge, from the United States district courts or courts of appeals who together shall comprise a court of review which shall have jurisdiction to review the denial of any application made under this Act. If such court determines that the application was properly denied, the court shall immediately provide for the record a written statement of each reason for its decision and, on petition of the United States for a writ of certiorari, the record shall be transmitted under seal to the Supreme Court, which shall have jurisdiction to review such decision.

Record of proceedings.

(c) Proceedings under this Act shall be conducted as expeditiously as possible. The record of proceedings under this Act, including applications made and orders granted, shall be maintained under security measures established by the Chief Justice in consultation with the Attorney General and the Director of Central Intelligence.

Tenure.

(d) Each judge designated under this section shall so serve for a maximum of seven years and shall not be eligible for redesignation, except that the judges first designated under subsection (a) shall be designated for terms of from one to seven years so that one term expires each year, and that judges first designated under subsection (b) shall be designated for terms of three, five, and seven years.

APPLICATION FOR AN ORDER

50 USC 1804.

SEC. 104. (a) Each application for an order approving electronic surveillance under this title shall be made by a Federal officer in writing upon oath or affirmation to a judge having jurisdiction under section 103. Each application shall require the approval of the Attorney General based upon his finding that it satisfies the criteria and requirements of such application as set forth in this title. It shall include—

Approval of Attorney General.

(1) the identity of the Federal officer making the application;

(2) the authority conferred on the Attorney General by the President of the United States and the approval of the Attorney General to make the application;

(3) the identity, if known, or a description of the target of the electronic surveillance;

(4) a statement of the facts and circumstances relied upon by the applicant to justify his belief that—

(A) the target of the electronic surveillance is a foreign power or an agent of a foreign power; and

(B) each of the facilities or places at which the electronic surveillance is directed is being used, or is about to be used, by a foreign power or an agent of a foreign power;

(5) a statement of the proposed minimization procedures;

(6) a detailed description of the nature of the information sought and the type of communications or activities to be subjected to the surveillance;

(7) a certification or certifications by the Assistant to the President for National Security Affairs or an executive branch official or officials designated by the President from among those executive officers employed in the area of national security or defense and appointed by the President with the advice and consent of the Senate—

(A) that the certifying official deems the information sought to be foreign intelligence information;

(B) that the purpose of the surveillance is to obtain foreign intelligence information;

(C) that such information cannot reasonably be obtained by normal investigative techniques;

(D) that designates the type of foreign intelligence information being sought according to the categories described in section 101(e); and

(E) including a statement of the basis for the certification that—

(i) the information sought is the type of foreign intelligence information designated; and

(ii) such information cannot reasonably be obtained by normal investigative techniques;

(8) a statement of the means by which the surveillance will be effected and a statement whether physical entry is required to effect the surveillance;

(9) a statement of the facts concerning all previous applications that have been made to any judge under this title involving any of the persons, facilities, or places specified in the application, and the action taken on each previous application;

(10) a statement of the period of time for which the electronic surveillance is required to be maintained, and if the nature of the intelligence gathering is such that the approval of the use of electronic surveillance under this title should not automatically terminate when the described type of information has first been obtained, a description of facts supporting the belief that additional information of the same type will be obtained thereafter; and

(11) whenever more than one electronic, mechanical or other surveillance device is to be used with respect to a particular proposed electronic surveillance, the coverage of the devices involved and what minimization procedures apply to information acquired by each device.

Foreign power, information exclusion.

(b) Whenever the target of the electronic surveillance is a foreign power, as defined in section 101(a) (1), (2), or (3), and each of the facilities or places at which the surveillance is directed is owned, leased, or exclusively used by that foreign power, the application need not contain the information required by paragraphs (6), (7)(E), (8),

and (11) of subsection (a), but shall state whether physical entry is required to effect the surveillance and shall contain such information about the surveillance techniques and communications or other information concerning United States persons likely to be obtained as may be necessary to assess the proposed minimization procedures.

(c) The Attorney General may require any other affidavit or certification from any other officer in connection with the application.

(d) The judge may require the applicant to furnish such other information as may be necessary to make the determinations required by section 105.

ISSUANCE OF AN ORDER

50 USC 1805.

SEC. 105. (a) Upon an application made pursuant to section 104, the judge shall enter an ex parte order as requested or as modified approving the electronic surveillance if he finds that—

(1) the President has authorized the Attorney General to approve applications for electronic surveillance for foreign intelligence information;

(2) the application has been made by a Federal officer and approved by the Attorney General;

(3) on the basis of the facts submitted by the applicant there is probable cause to believe that—

(A) the target of the electronic surveillance is a foreign power or an agent of a foreign power: *Provided*, That no United States person may be considered a foreign power or an agent of a foreign power solely upon the basis of activities protected by the first amendment to the Constitution of the United States; and

(B) each of the facilities or places at which the electronic surveillance is directed is being used, or is about to be used, by a foreign power or an agent of a foreign power;

(4) the proposed minimization procedures meet the definition of minimization procedures under section 101(h); and

(5) the application which has been filed contains all statements and certifications required by section 104 and, if the target is a United States person, the certification or certifications are not clearly erroneous on the basis of the statement made under section 104(a)(7)(E) and any other information furnished under section 104(d).

(b) An order approving an electronic surveillance under this section shall—

(1) specify—

(A) the identity, if known, or a description of the target of the electronic surveillance;

(B) the nature and location of each of the facilities or places at which the electronic surveillance will be directed;

(C) the type of information sought to be acquired and the type of communications or activities to be subjected to the surveillance;

(D) the means by which the electronic surveillance will be effected and whether physical entry will be used to effect the surveillance;

(E) the period of time during which the electronic surveillance is approved; and

(F) whenever more than one electronic, mechanical, or other surveillance device is to be used under the order, the authorized coverage of the devices involved and what minimi-

zation procedures shall apply to information subject to acquisition by each device; and

(2) direct—

(A) that the minimization procedures be followed;

(B) that, upon the request of the applicant, a specified communication or other common carrier, landlord, custodian, or other specified person furnish the applicant forthwith all information, facilities, or technical assistance necessary to accomplish the electronic surveillance in such a manner as will protect its secrecy and produce a minimum of interference with the services that such carrier, landlord, custodian, or other person is providing that target of electronic surveillance;

(C) that such carrier, landlord, custodian, or other person maintain under security procedures approved by the Attorney General and the Director of Central Intelligence any records concerning the surveillance or the aid furnished that such person wishes to retain; and

(D) that the applicant compensate, at the prevailing rate, such carrier, landlord, custodian, or other person for furnishing such aid.

(c) Whenever the target of the electronic surveillance is a foreign power, as defined in section 101(a) (1), (2), or (3), and each of the facilities or places at which the surveillance is directed is owned, leased, or exclusively used by that foreign power, the order need not contain the information required by subparagraphs (C), (D), and (F) of subsection (b)(1), but shall generally describe the information sought, the communications or activities to be subjected to the surveillance, and the type of electronic surveillance involved, including whether physical entry is required.

Approval.

(d)(1) An order issued under this section may approve an electronic surveillance for the period necessary to achieve its purpose, or for ninety days, whichever is less, except that an order under this section shall approve an electronic surveillance targeted against a foreign power, as defined in section 101(a) (1), (2), or (3), for the period specified in the application or for one year, whichever is less.

Extensions of an order.

(2) Extensions of an order issued under this title may be granted on the same basis as an original order upon an application for an extension and new findings made in the same manner as required for an original order, except that an extension of an order under this Act for a surveillance targeted against a foreign power, as defined in section 101(a) (5) or (6), or against a foreign power as defined in section 101(a)(4) that is not a United States person, may be for a period not to exceed one year if the judge finds probable cause to believe that no communication of any individual United States person will be acquired during the period.

Review of circumstances of order or extension.

(3) At or before the end of the period of time for which electronic surveillance is approved by an order or an extension, the judge may assess compliance with the minimization procedures by reviewing the circumstances under which information concerning United States persons was acquired, retained, or disseminated.

(e) Notwithstanding any other provision of this title, when the Attorney General reasonably determines that—

(1) an emergency situation exists with respect to the employment of electronic surveillance to obtain foreign intelligence information before an order authorizing such surveillance can with due diligence be obtained; and

(2) the factual basis for issuance of an order under this title to approve such surveillance exists;

Emergency order.

he may authorize the emergency employment of electronic surveillance if a judge having jurisdiction under section 103 is informed by the Attorney General or his designee at the time of such authorization that the decision has been made to employ emergency electronic surveillance and if an application in accordance with this title is made to that judge as soon as practicable, but not more than twenty-four hours after the Attorney General authorizes such surveillance. If the Attorney General authorizes such emergency employment of electronic surveillance, he shall require that the minimization procedures required by this title for the issuance of a judicial order be followed. In the absence of a judicial order approving such electronic surveillance, the surveillance shall terminate when the information sought is obtained, when the application for the order is denied, or after the expiration of twenty-four hours from the time of authorization by the Attorney General, whichever is earliest. In the event that such application for approval is denied, or in any other case where the electronic surveillance is terminated and no order is issued approving the surveillance, no information obtained or evidence derived from such surveillance shall be received in evidence or otherwise disclosed in any trial, hearing, or other proceeding in or before any court, grand jury, department, office, agency, regulatory body, legislative committee, or other authority of the United States, a State, or political subdivision thereof, and no information concerning any United States person acquired from such surveillance shall subsequently be used or disclosed in any other manner by Federal officers or employees without the consent of such person, except with the approval of the Attorney General if the information indicates a threat of death or serious bodily harm to any person. A denial of the application made under this subsection may be reviewed as provided in section 103.

Denial of application.

Review.

Testing of electronic equipment.

(f) Notwithstanding any other provision of this title, officers, employees, or agents of the United States are authorized in the normal course of their official duties to conduct electronic surveillance not targeted against the communications of any particular person or persons, under procedures approved by the Attorney General, solely to—

(1) test the capability of electronic equipment, if—

(A) it is not reasonable to obtain the consent of the persons incidentally subjected to the surveillance;

(B) the test is limited in extent and duration to that necessary to determine the capability of the equipment;

(C) the contents of any communication acquired are retained and used only for the purpose of determining the capability of the equipment, are disclosed only to test personnel, and are destroyed before or immediately upon completion of the test; and

Termination.

(D) *Provided*, That the test may exceed ninety days only with the prior approval of the Attorney General;

(2) determine the existence and capability of electronic surveillance equipment being used by persons not authorized to conduct electronic surveillance, if—

(A) it is not reasonable to obtain the consent of persons incidentally subjected to the surveillance;

(B) such electronic surveillance is limited in extent and duration to that necessary to determine the existence and capability of such equipment; and

(C) any information acquired by such surveillance is used only to enforce chapter 119 of title 18, United States Code, or section 605 of the Communications Act of 1934, or to protect information from unauthorized surveillance; or

18 USC 2510 *et seq.*
47 USC 605.

(3) train intelligence personnel in the use of electronic surveillance equipment, if—

Training of intelligence personnel, conditions.

(A) it is not reasonable to—

(i) obtain the consent of the persons incidentally subjected to the surveillance;

(ii) train persons in the course of surveillances otherwise authorized by this title; or

(iii) train persons in the use of such equipment without engaging in electronic surveillance;

(B) such electronic surveillance is limited in extent and duration to that necessary to train the personnel in the use of the equipment; and

(C) no contents of any communication acquired are retained or disseminated for any purpose, but are destroyed as soon as reasonably possible.

(g) Certifications made by the Attorney General pursuant to section 102(a) and applications made and orders granted under this title shall be retained for a period of at least ten years from the date of the certification or application.

Record retention requirement.

USE OF INFORMATION

SEC. 106. (a) Information acquired from an electronic surveillance conducted pursuant to this title concerning any United States person may be used and disclosed by Federal officers and employees without the consent of the United States person only in accordance with the minimization procedures required by this title. No otherwise privileged communication obtained in accordance with, or in violation of, the provisions of this title shall lose its privileged character. No information acquired from an electronic surveillance pursuant to this title may be used or disclosed by Federal officers or employees except for lawful purposes.

50 USC 1806.

(b) No information acquired pursuant to this title shall be disclosed for law enforcement purposes unless such disclosure is accompanied by a statement that such information, or any information derived therefrom, may only be used in a criminal proceeding with the advance authorization of the Attorney General.

Statement for disclosure.

(c) Whenever the Government intends to enter into evidence or otherwise use or disclose in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of the United States, against an aggrieved person, any information obtained or derived from an electronic surveillance of that aggrieved person pursuant to the authority of this title, the Government shall, prior to the trial, hearing, or other proceeding or at a reasonable time prior to an effort to so disclose or so use that information or submit it in evidence, notify the aggrieved person and the court or other authority in which the information is to be disclosed or used that the Government intends to so disclose or so use such information.

(d) Whenever any State or political subdivision thereof intends to enter into evidence or otherwise use or disclose in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of a State or a political subdivision thereof, against an aggrieved person any information obtained or

derived from an electronic surveillance of that aggrieved person pursuant to the authority of this title, the State or political subdivision thereof shall notify the aggrieved person, the court or other authority in which the information is to be disclosed or used, and the Attorney General that the State or political subdivision thereof intends to so disclose or so use such information.

(e) Any person against whom evidence obtained or derived from an electronic surveillance to which he is an aggrieved person is to be, or has been, introduced or otherwise used or disclosed in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of the United States, a State, or a political subdivision thereof, may move to suppress the evidence obtained or derived from such electronic surveillance on the grounds that—

(1) the information was unlawfully acquired; or

(2) the surveillance was not made in conformity with an order of authorization or approval.

Such a motion shall be made before the trial, hearing, or other proceeding unless there was no opportunity to make such a motion or the person was not aware of the grounds of the motion.

(f) Whenever a court or other authority is notified pursuant to subsection (c) or (d), or whenever a motion is made pursuant to subsection (e), or whenever any motion or request is made by an aggrieved person pursuant to any other statute or rule of the United States or any State before any court or other authority of the United States or any State to discover or obtain applications or orders or other materials relating to electronic surveillance or to discover, obtain, or suppress evidence or information obtained or derived from electronic surveillance under this Act, the United States district court or, where the motion is made before another authority, the United States district court in the same district as the authority, shall, notwithstanding any other law, if the Attorney General files an affidavit under oath that disclosure or an adversary hearing would harm the national security of the United States, review in camera and ex parte the application, order, and such other materials relating to the surveillance as may be necessary to determine whether the surveillance of the aggrieved person was lawfully authorized and conducted. In making this determination, the court may disclose to the aggrieved person, under appropriate security procedures and protective orders, portions of the application, order, or other materials relating to the surveillance only where such disclosure is necessary to make an accurate determination of the legality of the surveillance.

(g) If the United States district court pursuant to subsection (f) determines that the surveillance was not lawfully authorized or conducted, it shall, in accordance with the requirements of law, suppress the evidence which was unlawfully obtained or derived from electronic surveillance of the aggrieved person or otherwise grant the motion of the aggrieved person. If the court determines that the surveillance was lawfully authorized and conducted, it shall deny the motion of the aggrieved person except to the extent that due process requires discovery or disclosure.

(h) Orders granting motions or requests under subsection (g), decisions under this section that electronic surveillance was not lawfully authorized or conducted, and orders of the United States district court requiring review or granting disclosure of applications, orders, or other materials relating to a surveillance shall be final orders and binding upon all courts of the United States and the several States

except a United States court of appeals and the Supreme Court.

(i) In circumstances involving the unintentional acquisition by an electronic, mechanical, or other surveillance device of the contents of any radio communication, under circumstances in which a person has a reasonable expectation of privacy and a warrant would be required for law enforcement purposes, and if both the sender and all intended recipients are located within the United States, such contents shall be destroyed upon recognition, unless the Attorney General determines that the contents indicate a threat of death or serious bodily harm to any person.

Disposal of contents.

(j) If an emergency employment of electronic surveillance is authorized under section 105(e) and a subsequent order approving the surveillance is not obtained, the judge shall cause to be served on any United States person named in the application and on such other United States persons subject to electronic surveillance as the judge may determine in his discretion it is in the interest of justice to serve, notice of—

(1) the fact of the application;

(2) the period of the surveillance; and

(3) the fact that during the period information was or was not obtained.

On an ex parte showing of good cause to the judge the serving of the notice required by this subsection may be postponed or suspended for a period not to exceed ninety days. Thereafter, on a further ex parte showing of good cause, the court shall forego ordering the serving of the notice required under this subsection.

Postponement or suspension of notice, time limitation.

REPORT OF ELECTRONIC SURVEILLANCE

SEC. 107. In April of each year, the Attorney General shall transmit to the Administrative Office of the United States Court and to Congress a report setting forth with respect to the preceding calendar year—

Report to Congress. 50 USC 1807.

(a) the total number of applications made for orders and extensions of orders approving electronic surveillance under this title; and

(b) the total number of such orders and extensions either granted, modified, or denied.

CONGRESSIONAL OVERSIGHT

SEC. 108. (a) On a semiannual basis the Attorney General shall fully inform the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence concerning all electronic surveillance under this title. Nothing in this title shall be deemed to limit the authority and responsibility of the appropriate committees of each House of Congress to obtain such information as they may need to carry out their respective functions and duties.

Report to congressional committees. 50 USC 1808.

(b) On or before one year after the effective date of this Act and on the same day each year for four years thereafter, the Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence shall report respectively to the House of Representatives and the Senate, concerning the implementation of this Act. Said reports shall include but not be limited to an analysis and recommendations concerning whether this Act should be (1) amended, (2) repealed, or (3) permitted to continue in effect without amendment.

Report of congressional committees to Congress.

PENALTIES

50 USC 1809.

SEC. 109. (a) OFFENSE.—A person is guilty of an offense if he intentionally—

(1) engages in electronic surveillance under color of law except as authorized by statute; or

(2) discloses or uses information obtained under color of law by electronic surveillance, knowing or having reason to know that the information was obtained through electronic surveillance not authorized by statute.

(b) DEFENSE.—It is a defense to a prosecution under subsection (a) that the defendant was a law enforcement or investigative officer engaged in the course of his official duties and the electronic surveillance was authorized by and conducted pursuant to a search warrant or court order of a court of competent jurisdiction.

(c) PENALTY.—An offense described in this section is punishable by a fine of not more than $10,000 or imprisonment for not more than five years, or both.

(d) JURISDICTION.—There is Federal jurisdiction over an offense under this section if the person committing the offense was an officer or employee of the United States at the time the offense was committed.

CIVIL LIABILITY

50 USC 1810.

SEC. 110. CIVIL ACTION.—An aggrieved person, other than a foreign power or an agent of a foreign power, as defined in section 101 (a) or (b)(1)(A), respectively, who has been subjected to an electronic surveillance or about whom information obtained by electronic surveillance of such person has been disclosed or used in violation of section 109 shall have a cause of action against any person who committed such violation and shall be entitled to recover—

(a) actual damages, but not less than liquidated damages of $1,000 or $100 per day for each day of violation, whichever is greater;

(b) punitive damages; and

(c) reasonable attorney's fees and other investigation and litigation costs reasonably incurred.

AUTHORIZATION DURING TIME OF WAR

50 USC 1811.

SEC. 111. Notwithstanding any other law, the President, through the Attorney General, may authorize electronic surveillance without a court order under this title to acquire foreign intelligence information for a period not to exceed fifteen calendar days following a declaration of war by the Congress.

TITLE II—CONFORMING AMENDMENTS

AMENDMENTS TO CHAPTER 119 OF TITLE 18, UNITED STATES CODE

SEC. 201. Chapter 119 of title 18, United States Code, is amended as follows:

18 USC 2511.

(a) Section 2511(2)(a)(ii) is amended to read as follows:

"(ii) Notwithstanding any other law, communication common carriers, their officers, employees, and agents, landlords, custodians, or other persons, are authorized to provide information, facilities, or technical assistance to persons authorized by law to intercept wire or

oral communications or to conduct electronic surveillance, as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978, if the common carrier, its officers, employees, or agents, landlord, custodian, or other specified person, has been provided with—

"(A) a court order directing such assistance signed by the authorizing judge, or

"(B) a certification in writing by a person specified in section 2518(7) of this title or the Attorney General of the United States that no warrant or court order is required by law, that all statutory requirements have been met, and that the specified assistance is required, 18 USC 2518.

setting forth the period of time during which the provision of the information, facilities, or technical assistance is authorized and specifying the information, facilities, or technical assistance required. No communication common carrier, officer, employee, or agent thereof, or landlord, custodian, or other specified person shall disclose the existence of any interception or surveillance or the device used to accomplish the interception or surveillance with respect to which the person has been furnished an order or certification under this subparagraph, except as may otherwise be required by legal process and then only after prior notification to the Attorney General or to the principal prosecuting attorney of a State or any political subdivision of a State, as may be appropriate. Any violation of this subparagraph by a communication common carrier or an officer, employee, or agent thereof, shall render the carrier liable for the civil damages provided for in section 2520. No cause of action shall lie in any court against any communication common carrier, its officers, employees, or agents, landlord, custodian, or other specified person for providing information, facilities, or assistance in accordance with the terms of an order or certification under this subparagraph.". Disclosure of information, prohibition. 18 USC 2520.

(b) Section 2511(2) is amended by adding at the end thereof the following new provisions: 18 USC 2511.

"(e) Notwithstanding any other provision of this title or section 605 or 606 of the Communications Act of 1934, it shall not be unlawful for an officer, employee, or agent of the United States in the normal course of his official duty to conduct electronic surveillance, as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978, as authorized by that Act. 47 USC 605, 606.

"(f) Nothing contained in this chapter, or section 605 of the Communications Act of 1934, shall be deemed to affect the acquisition by the United States Government of foreign intelligence information from international or foreign communications by a means other than electronic surveillance as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978, and procedures in this chapter and the Foreign Intelligence Surveillance Act of 1978 shall be the exclusive means by which electronic surveillance, as defined in section 101 of such Act, and the interception of domestic wire and oral communications may be conducted.".

(c) Section 2511(3) is repealed. Repeal.

(d) Section 2518(1) is amended by inserting "under this chapter" after "communication". 18 USC 2511. 18 USC 2518.

(e) Section 2518(4) is amended by inserting "under this chapter" after both appearances of "wire or oral communication".

(f) Section 2518(9) is amended by striking out "intercepted" and inserting "intercepted pursuant to this chapter" after "communication".

18 USC 2518.

(g) Section 2518(10) is amended by striking out "intercepted" and inserting "intercepted pursuant to this chapter" after the first appearance of "communication".

18 USC 2519.

(h) Section 2519(3) is amended by inserting "pursuant to this chapter" after "wire or oral communications" and after "granted or denied".

TITLE III—EFFECTIVE DATE

EFFECTIVE DATE

50 USC 1801 note.

SEC. 301. The provisions of this Act and the amendments made hereby shall become effective upon the date of enactment of this Act, except that any electronic surveillance approved by the Attorney General to gather foreign intelligence information shall not be deemed unlawful for failure to follow the procedures of this Act, if that surveillance is terminated or an order approving that surveillance is obtained under title I of this Act within ninety days following the designation of the first judge pursuant to section 103 of this Act.

Approved October 25, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-1283, Pt. I accompanying H.R. 7308 (Comm. on the Judiciary) and (Select Comm. on Intelligence) and No. 95-1720 (Comm. of Conference).

SENATE REPORTS: No. 95-604 and No. 95-604, Pt. II (Comm. on the Judiciary) and No. 95-701 (Select Comm. on Intelligence).

CONGRESSIONAL RECORD, Vol. 124 (1978):

Apr. 20, considered and passed Senate.

Sept. 6, 7, considered and passed House, amended.

Sept. 12, Senate disagreed to House amendments.

Oct. 9, Senate agreed to conference report.

Oct. 12, House agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 43:

Oct. 25, Presidential statement.

Public Law 95-512
95th Congress

An Act

To provide for cost-of-living adjustments in the annuity of a retired Comptroller General, and for other purposes.

Oct. 25, 1978
[S. 3412]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Comptroller General Annuity Adjustment Act of 1978".

Comptroller General Annuity Adjustment Act of 1978.
31 USC 1 note.

SEC. 2. Section 319 of the Budget and Accounting Act, 1921 (31 U.S.C. 43b) is amended—

(1) by striking out "3" wherever it appears in subsections (b) and (c) and inserting "4½";

(2) by striking out in subsection (e)(2) beginning with "one-half" through the word "lesser" and inserting the following: "(A) $1,548, or (B) $4,644 divided by the number of children, whichever is lesser";

(3) by inserting "(A)" immediately after "equal to" in subsection (e)(3) and by striking out in such subsection beginning with "survived," through the word "year" and inserting "survived, divided by the number of children, or (B) $1,860, or (C) $5,580, divided by the number of children, whichever is the lesser"; and

(4) by striking out "the last five years of such service" in subsection (n) and inserting "the three years of service in which his annual salary was greatest", and by striking out "37½" in such subsection and inserting "40".

SEC. 3. The Budget and Accounting Act, 1921, is amended by adding after section 319 the following new section:

"SEC. 320. (a) Except as provided in subsection (b), the annuities authorized by sections 303 and 319 of this Act shall be increased as follows:

31 USC 43c.
31 USC 43, 43b.

"(1) The Comptroller General shall—

"(A) on January 1 of each year, or within a reasonable time thereafter, determine the per centum change in the Consumer Price Index published for December of the preceding year over the Consumer Price Index published for June of the preceding year, and

"(B) on July 1 of each year, or within a reasonable time thereafter, determine the per centum change in the Consumer Price Index published for June of such year over the Consumer Price Index published for December of the preceding year.

"(2) If in any year the per centum change determined under either paragraph (1)(A) or (1)(B) indicates a rise in the Consumer Price Index, then—

"(A) effective March 1 of such year, in the case of an increase under paragraph (1)(A), each annuity payable under sections 303 and 319 of this Act commencing not later than such March 1 shall be increased by the per centum change computed under such paragraph, adjusted to the nearest one-tenth of 1 per centum, or

"(B) effective September 1 of such year, in the case of an increase under paragraph (1)(B), each annuity payable under sections 303 and 319 of this Act commencing not later than such September 1 shall be increased by the per centum change computed under such paragraph, adjusted to the nearest one-tenth of 1 per centum.

31 USC 43, 43b.

"(3) The per centum increase authorized by the Comptroller General under this section shall not exceed the per centum increase as authorized from time to time by the Civil Service Commission under section 8340(b) of title 5, United States Code.

"(b) The annuity authorized by section 303 of this Act shall not, by reason of the application of subsection (a), exceed the annual rate of compensation of the Comptroller General.".

Annuity deductions.

SEC. 4. (a) The second paragraph of section 303 of the Budget and Accounting Act, 1921 (31 U.S.C. 43) is amended by inserting between the third and fourth sentences the following new sentence: "There shall be deducted from the salary of any person appointed to the Office of the Comptroller General after the date of enactment of this sentence as a contribution to the annuity authorized by this paragraph (1) a sum equal to 3½ per centum of his salary, in the case of a Comptroller General who has elected survivor benefits under section 319, or (2) a sum equal to 8 per centum of his salary, in the case of a Comptroller General who has not elected such survivor benefits.".

(b) The third paragraph of such section is amended by—

(1) inserting after "that Act," in the first sentence "and no deduction from his salary shall be made under the preceding paragraph,"; and

(2) adding at the end thereof the following new sentence: "Any person who is appointed to the Office of Comptroller General after the date of enactment of this sentence and who makes such an election under this paragraph shall deposit with the General Accounting Office for covering into the general fund of the Treasury as miscellaneous receipts as a contribution to the annuity authorized under the preceding paragraph (1) a sum equal to 3½ per centum, in the case of a Comptroller General who has elected survivor benefits under section 319, or (2) 8 per centum, in the case of a Comptroller General who has not elected such benefits, of the salary received by him as Comptroller General prior to the date current deductions begin from his salary, plus interest thereon at the rate of 3 per centum per annum compounded on December 31 of each year.".

(c) Such section is amended by adding at the end thereof the following new paragraph:

Lump-sum refund.

"Any Comptroller General who is separated from office prior to becoming eligible to receive an annuity under the second paragraph shall be entitled to a lump-sum refund of the total amount deducted from his salary in accordance with the provisions of such paragraph or deposited by him as a contribution to his annuity in accordance with the provisions of the preceding paragraph, plus interest thereon at the rate of 3 per centum per annum compounded on December 31 of each year. The lump-sum refund authorized by this paragraph shall be paid to the Comptroller General or to his survivors in the order of precedence of such survivors established in section 319(j) for survivor benefits.".

Approved October 25, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1241, accompanying H.R. 12196 (Comm. on Government Operations).
SENATE REPORT No. 95-1267 (Comm. on Governmental Affairs).
CONGRESSIONAL RECORD, Vol. 124 (1978):
July 25, H.R. 12196 considered and passed House.
Oct. 9, considered and passed Senate.
Oct. 11, considered and passed House, in lieu of H.R. 12196.

Public Law 95-513
95th Congress

Joint Resolution

Oct. 25, 1978
[H.J. Res. 1147]

Authorizing and requesting the President to designate the seven-day period beginning on May 28, 1979, as "Vietnam Veterans Week".

Whereas members of the Armed Forces of the United States who served in Southeast Asia during the Vietnam conflict performed such service under the most trying conditions because of the lack of domestic support for the conflict and because of the nature of the conflict itself;

Whereas the battlefield performance of America's soldiers, sailors, marines, and airmen during the Vietnam conflict was by all measures the equal of that of their counterparts in previous conflicts;

Whereas an adverse image has often been unfairly attached to the Vietnam veteran as an individual because of the controversial nature of the Vietnam conflict; and

Whereas the Nation has never fully expressed its gratitude to those who gave a substantial portion of their lives at their Government's request and in the name of the people of the United States to serve in such conflict: Now, therefore, be it

Vietnam Veterans Week. Designation authorization.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested (1) to issue a proclamation designating the seven-day period beginning on May 28, 1979, as "Vietnam Veterans Week" and calling upon the people of the United States and interested groups and organizations to observe such period with appropriate ceremonies and activities, and (2) to initiate and coordinate appropriate ceremonies and activities within the executive branch for the observance of such period.

Approved October 25, 1978.

LEGISLATIVE HISTORY:

CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct 10, considered and passed House.
Oct. 12, considered and passed Senate.

Public Law 95-514
95th Congress

An Act

To improve the range conditions of the public rangelands.

Oct. 25, 1978
[H.R. 10587]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Public Rangelands Improvement Act of 1978.
43 USC 1901 note.

SECTION 1. That this Act may be cited as the "Public Rangelands Improvement Act of 1978".

FINDINGS AND DECLARATION OF POLICY

43 USC 1901.

SEC. 2. (a) The Congress finds and declares that—

(1) vast segments of the public rangelands are producing less than their potential for livestock, wildlife habitat, recreation, forage, and water and soil conservation benefits, and for that reason are in an unsatisfactory condition;

(2) such rangelands will remain in an unsatisfactory condition and some areas may decline further under present levels of, and funding for, management;

(3) unsatisfactory conditions on public rangelands present a high risk of soil loss, desertification, and a resultant underproductivity for large acreages of the public lands; contribute significantly to unacceptable levels of siltation and salinity in major western watersheds including the Colorado River; negatively impact the quality and availability of scarce western water supplies; threaten important and frequently critical fish and wildlife habitat; prevent expansion of the forage resource and resulting benefits to livestock and wildlife production; increase surface runoff and flood danger; reduce the value of such lands for recreational and esthetic purposes; and may ultimately lead to unpredictable and undesirable long-term local and regional climatic and economic changes;

(4) the above-mentioned conditions can be addressed and corrected by an intensive public rangelands maintenance, management, and improvement program involving significant increases in levels of rangeland management and improvement funding for multiple-use values;

(5) to prevent economic disruption and harm to the western livestock industry, it is in the public interest to charge a fee for livestock grazing permits and leases on the public lands which is based on a formula reflecting annual changes in the costs of production;

(6) the Act of December 15, 1971 (85 Stat. 649, 16 U.S.C. 1331 et seq.), continues to be successful in its goal of protecting wild free-roaming horses and burros from capture, branding, harrassment, and death, but that certain amendments are necessary thereto to avoid excessive costs in the administration of the Act, and to facilitate the humane adoption or disposal of excess wild free-roaming horses and burros which because they exceed the carrying capacity of the range, pose a threat to their own habitat, fish, wildlife, recreation, water and soil conservation, domestic livestock grazing, and other rangeland values;

(b) The Congress therefore hereby establishes and reaffirms a national policy and commitment to:

(1) inventory and identify current public rangelands conditions and trends as a part of the inventory process required by section 201(a) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1711);

(2) manage, maintain and improve the condition of the public rangelands so that they become as productive as feasible for all rangeland values in accordance with management objectives and the land use planning process established pursuant to section 202 of the Federal Land Policy and Management Act (43 U.S.C. 1712);

(3) charge a fee for public grazing use which is equitable and reflects the concerns addressed in paragraph (a)(5) above;

(4) continue the policy of protecting wild free-roaming horses and burros from capture, branding, harassment, or death, while at the same time facilitating the removal and disposal of excess wild free-roaming horses and burros which pose a threat to themselves and their habitat and to other rangeland values;

(c) The policies of this Act shall become effective only as specific statutory authority for their implementation is enacted by this Act or by subsequent legislation, and shall be construed as supplemental to and not in derogation of the purposes for which public rangelands are administered under other provisions of law.

Definitions.
43 USC 1902.

SEC. 3. As used in this Act—

(a) The terms "rangelands" or "public rangelands" means lands administered by the Secretary of the Interior through the Bureau of Land Management or the Secretary of Agriculture through the Forest Service in the sixteen contiguous Western States on which there is domestic livestock grazing or which the Secretary concerned determines may be suitable for domestic livestock grazing.

(b) The term "allotment management plan" is the same as defined in section 103(k) of the Federal Land Policy Management Act of 1976 (43 U.S.C. 1702(k)), except that as used in this Act such term applies to the sixteen contiguous Western States.

(c) The term "grazing permit and lease" means any document authorizing use of public lands or lands in national forests in the sixteen contiguous Western States for the purpose of grazing domestic livestock.

(d) The term "range condition" means the quality of the land reflected in its ability in specific vegetative areas to support various levels of productivity in accordance with range management objectives and the land use planning process, and relates to soil quality, forage values (whether seasonal or year round), wildlife habitat, watershed and plant communities, the present state of vegetation of a range site in relation to the potential plant community for that site, and the relative degree to which the kinds, proportions, and amounts of vegetation in a plant community resemble that of the desired community for that site.

(e) The term "native vegetation" means those plant species, communities, or vegetative associations which are endemic to a given area and which would normally be identified with a healthy and productive range condition occurring as a result of the natural vegetative process of the area.

(f) The term "range improvement" means any activity or program on or relating to rangelands which is designed to improve production of forage; change vegetative composition; control patterns of use; provide water; stabilize soil and water conditions; and provide habitat for livestock and wildlife. The term includes, but is not limited to,

structures, treatment projects, and use of mechanical means to accomplish the desired results.

(g) The term "court ordered environmental impact statement" means any environmental statements which are required to be prepared by the Secretary of the Interior pursuant to the final judgment or subsequent modification thereof as set forth on June 18, 1975, in the matter of Natural Resources Defense Council against Andrus.

(h) The term "Secretary" unless specifically designated otherwise, means the Secretary of the Interior.

(i) The term "sixteen contiguous Western States" means the States of Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, and Wyoming.

RANGELANDS INVENTORY AND MANAGEMENT

SEC. 4. (a) Following enactment of this Act, the Secretary of the Interior and the Secretary of Agriculture shall update, develop (where necessary) and maintain on a continuing basis thereafter, an inventory of range conditions and record of trends of range conditions on the public rangelands, and shall categorize or identify such lands on the basis of the range conditions and trends thereof as they deem appropriate. Such inventories shall be conducted and maintained by the Secretary as a part of the inventory process required by section 201(a) of the Federal Land Policy and Management Act (43 U.S.C. 1711), and by the Secretary of Agriculture in accordance with section 5 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1603); shall be kept current on a regular basis so as to reflect changes in range conditions; and shall be available to the public. 43 USC 1903. Public availability.

(b) The Secretary shall manage the public rangelands in accordance with the Taylor Grazing Act (43 U.S.C. 315–315(o)), the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701–1782), and other applicable law consistent with the public rangelands improvement program pursuant to this Act. Except where the land use planning process required pursuant to section 202 of the Federal Land Policy and Management Act (43 U.S.C. 1712) determines otherwise or the Secretary determines, and sets forth his reasons for this determination, that grazing uses should be discontinued (either temporarily or permanently) on certain lands, the goal of such management shall be to improve the range conditions of the public rangelands so that they become as productive as feasible in accordance with the rangeland management objectives established through the land use planning process, and consistent with the values and objectives listed in sections 2(a) and (b)(2) of this Act.

RANGE IMPROVEMENT FUNDING

SEC. 5. (a) In order to accomplish the purposes of this Act, there are hereby authorized to be appropriated the sum of an additional $15,000,000 annually in fiscal years 1980 through 1982; for fiscal years 1983 through 1986 an amount no less than the amount authorized for 1982; and for fiscal years 1987 through 1999 an amount not less than $5,000,000 annually more than the amount authorized for fiscal year 1986. Such funds shall be in addition to any range, wildlife, and soil and water management moneys which have been requested by the Appropriation authorization. 43 USC 1904.

43 USC 1748.

Secretary under the provisions of section 318 of the Federal Land Policy and Management Act, and in addition to the moneys which are available for range improvements under section 401 of the Federal Land Policy and Management Act (43 U.S.C. 1751).

(b) Any amounts authorized by this section not appropriated in one or more fiscal years shall be available for appropriation in any subsequent years.

(c) No less than 80 per centum of such funds provided herein shall be used for on-the-ground range rehabilitation, maintenance and the construction of range improvements (including project layout, project design, and project supervision). No more than 15 per centum of such funds provided herein shall be used to hire and train such experienced and qualified personnel as are necessary to implement on-the-ground supervision and enforcement of the land use plans required pursuant to section 202 of the Federal Land Policy and Management Act (43 U.S.C. 1712) and such allotment management plans as may be developed. Such funds shall be distributed as the Secretary deems advisable after careful and considered consultation and coordination, including public hearings and meetings where appropriate, with the district grazing advisory boards established pursuant to section 403 of the Federal Land Policy and Management Act (43 U.S.C. 1753), and the advisory councils established pursuant to section 309 of the Federal Land Policy and Management Act (43 U.S.C. 1739), range user representatives, and other interested parties. To the maximum extent practicable, and where economically sound, the Secretary shall give priority to entering into cooperative agreements with range users (or user groups) for the installation and maintenance of on-the-ground range improvements.

Distribution, consultation and coordination.

Environmental assessment record.

(d) Prior to the use of any funds authorized by this section the Secretary shall cause to have prepared an environmental assessment record on each range improvement project. Thereafter, improvement projects may be constructed unless the Secretary determines that the project will have a significant impact on the quality of human environment, necessitating an environmental impact statement pursuant to the National Environmental Policy Act prior to the expenditure of funds.

42 USC 4321 note.

GRAZING FEES

43 USC 1905.

SEC. 6. (a) For the grazing years 1979 through 1985, the Secretaries of Agriculture and Interior shall charge the fee for domestic livestock grazing on the public rangelands which Congress finds represents the economic value of the use of the land to the user, and under which Congress finds fair market value for public grazing equals the $1.23 base established by the 1966 Western Livestock Grazing Survey multiplied by the result of the Forage Value Index (computed annually from data supplied by the Economic Research Service) added to the Combined Index (Beef Cattle Price Index minus the Price Paid Index) and divided by 100: *Provided*, That the annual increase or decrease in such fee for any given year shall be limited to not more than plus or minus 25 per centum of the previous year's fee.

(b) The second sentence of section 401(b)(1) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1751(b)(1)) is hereby amended by adding the words "or $10,000,000 per annum, whichever is greater" after the words "50 per centum", and by substituting the word "sixteen" for the word "eleven" before the words "contiguous Western States".

GRAZING LEASES AND PERMITS

SEC. 7. (a) Section 402(b)(3) of the Federal Land Policy and Management Act (43 U.S.C. 1752) is amended by striking the period at the end of the proviso and adding ": *Provided further*, That the absence of completed land use plans or court ordered environmental statements shall not be the sole basis for establishing a term shorter than ten years unless the Secretary determines on a case-by-case basis that the information to be contained in such land use plan or court ordered environmental impact statement is necessary to determine whether a shorter term should be established for any of the reasons set forth in items (1) through (3) of this subsection.".

(b) Section 402(a) of the Federal Land Policy and Management Act is hereby amended by substituting the word "sixteen" for the word "eleven" before the words "contiguous Western States".

ALLOTMENT MANAGEMENT PLANS

SEC. 8. Sections 402 (d) and (e) (43 U.S.C. 1752 (d) and (e)) are hereby amended—

(a) by changing subsection (d) to read as follows:

"(d) All permits and leases for domestic livestock grazing issued pursuant to this section may incorporate an allotment management plan developed by the Secretary concerned. However, nothing in this subsection shall be construed to supersede any requirement for completion of court ordered environmental impact statements prior to development and incorporation of allotment management plans. If the Secretary concerned elects to develop an allotment management plan for a given area, he shall do so in careful and considered consultation, cooperation and coordination with the lessees, permittees, and landowners involved, the district grazing advisory boards established pursuant to section 403 of the Federal Land Policy and Management Act (43 U.S.C. 1753), and any State or States having lands within the area to be covered by such allotment management plan. Allotment management plans shall be tailored to the specific range condition of the area to be covered by such plan, and shall be reviewed on a periodic basis to determine whether they have been effective in improving the range condition of the lands involved or whether such lands can be better managed under the provisions of subsection (e) of this section. The Secretary concerned may revise or terminate such plans or develop new plans from time to time after such review and careful and considered consultation, cooperation and coordination with the parties involved. As used in this subsection, the terms 'court ordered environmental impact statement' and 'range condition' shall be defined as in the 'Public Rangelands Improvement Act of 1978.' ". Consultation and cooperation. Definitions. *Ante*, p. 1803.

(b) by deleting in subsection (e) the words "Prior to October 1, 1988, or thereafter, in" and by inserting "In".

APPROPRIATIONS

SEC. 9. Notwithstanding any other provision of this Act, authority to enter into cooperative agreements and to make payments under this Act shall be effective only to the extent or in such amounts as are provided in advance in appropriation Acts. 43 USC 1906.

GRAZING ADVISORY BOARDS

SEC. 10. Section 403(a) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1753) is amended by substituting the word "sixteen" for the word "eleven" before the words "contiguous Western States".

NATIONAL GRASSLAND EXEMPTIONS

43 USC 1907.

SEC. 11. All National Grasslands are exempted from the provisions of this Act.

EXPERIMENTAL STEWARDSHIP PROGRAM

43 USC 1908.

SEC. 12. (a) The Secretaries of Interior and Agriculture are hereby authorized and directed to develop and implement, on an experimental basis on selected areas of the public rangelands which are representative of the broad spectrum of range conditions, trends, and forage values, a program which provides incentives to, or rewards for, the holders of grazing permits and leases whose stewardship results in an improvement of the range condition of lands under permit or lease. Such program shall explore innovative grazing management policies and systems which might provide incentives to improve range conditions. These may include, but need not be limited to—

(1) cooperative range management projects designed to foster a greater degree of cooperation and coordination between the Federal and State agencies charged with the management of the rangelands and with local private range users,

(2) the payment of up to 50 per centum of the amount due the Federal Government from grazing permittees in the form of range improvement work.

(3) such other incentives as he may deem appropriate.

Report to Congress.

(b) No later than December 31, 1985, the Secretaries shall report to the Congress the results of such experimental program, their evaluation of the fee established in section 6 of this Act and other grazing fee options, and their recommendations to implement a grazing fee schedule for the 1986 and subsequent grazing years.

ADVISORY COUNCILS

SEC. 13. The first line of section 309(a) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1739) is amended by deleting "is authorized to" and inserting in lieu thereof "shall".

WILD HORSES AND BURROS

Inventory and determinations.

SEC. 14. (a) Subsections 3 (b), (c), and (d) of the Act of December 15, 1971 (85 Stat. 649; 16 U.S.C. 1333(b)(3)) are hereby amended to read as follows:

"(b)(1) The Secretary shall maintain a current inventory of wild free-roaming horses and burros on given areas of the public lands. The purpose of such inventory shall be to: make determinations as to whether and where an overpopulation exists and whether action should be taken to remove excess animals; determine appropriate management levels of wild free-roaming horses and burros on these areas of the public lands; and determine whether appropriate management levels should be achieved by the removal or destruction of excess animals, or other options (such as sterilization, or natural controls on

population levels). In making such determinations the Secretary shall consult with the United States Fish and Wildlife Service, wildlife agencies of the State or States wherein wild free-roaming horses and burros are located, such individuals independent of Federal and State government as have been recommended by the National Academy of Sciences, and such other individuals whom he determines have scientific expertise and special knowledge of wild horse and burro protection, wildlife management and animal husbandry as related to rangeland management. Consultation.

"(2) Where the Secretary determines on the basis of (i) the current inventory of lands within his jurisdiction; (ii) information contained in any land use planning completed pursuant to section 202 of the Federal Land Policy and Management Act of 1976; (iii) information contained in court ordered environmental impact statements as defined in section 2 of the Public Range Lands Improvement Act of 1978; and (iv) such additional information as becomes available to him from time to time, including that information developed in the research study mandated by this section, or in the absence of the information contained in (i–iv) above on the basis of all information currently available to him, that an overpopulation exists on a given area of the public lands and that action is necessary to remove excess animals, he shall immediately remove excess animals from the range so as to achieve appropriate management levels. Such action shall be taken, in the following order and priority, until all excess animals have been removed so as to restore a thriving natural ecological balance to the range, and protect the range from the deterioration associated with overpopulation: Overpopulation. 43 USC 1712.

"(A) The Secretary shall order old, sick, or lame animals to be destroyed in the most humane manner possible;

"(B) The Secretary shall cause such number of additional excess wild free-roaming horses and burros to be humanely captured and removed for private maintenance and care for which he determines an adoption demand exists by qualified individuals, and for which he determines he can assure humane treatment and care (including proper transportation, feeding, and handling): *Provided*, That, not more than four animals may be adopted per year by any individual unless the Secretary determines in writing that such individual is capable of humanely caring for more than four animals, including the transportation of such animals by the adopting party; and

"(C) The Secretary shall cause additional excess wild free-roaming horses and burros for which an adoption demand by qualified individuals does not exist to be destroyed in the most humane and cost efficient manner possible.

"(3) For the purpose of furthering knowledge of wild horse and burro population dynamics and their interrelationship with wildlife, forage and water resources, and assisting him in making his determination as to what constitutes excess animals, the Secretary shall contract for a research study of such animals with such individuals independent of Federal and State government as may be recommended by the National Academy of Sciences for having scientific expertise and special knowledge of wild horse and burro protection, wildlife management and animal husbandry as related to rangeland management. The terms and outline of such research study shall be determined by a research design panel to be appointed by the President of the Research study.

39-194 O—80—pt. 2——34 : QL3

Submittal to Congress.

National Academy of Sciences. Such study shall be completed and submitted by the Secretary to the Senate and House of Representatives on or before January 1, 1983.

Title, application.

"(c) Where excess animals have been transferred to a qualified individual for adoption and private maintenance pursuant to this Act and the Secretary determines that such individual has provided humane conditions, treatment and care for such animal or animals for a period of one year, the Secretary is authorized upon application by the transferee to grant title to not more than four animals to the transferee at the end of the one-year period.

"(d) Wild free-roaming horses and burros or their remains shall lose their status as wild free-roaming horses or burros and shall no longer be considered as falling within the purview of this Act—

"(1) upon passage of title pursuant to subsection (c) except for the limitation of subsection (c)(1) of this section; or

"(2) if they have been transferred for private maintenance or adoption pursuant to this Act and die of natural causes before passage of title; or

"(3) upon destruction by the Secretary or his designee pursuant to subsection (b) of this section; or

"(4) if they die of natural causes on the public lands or on private lands where maintained thereon pursuant to section 4 and disposal is authorized by the Secretary or his designee; or

"(5) upon destruction or death for purposes of or incident to the program authorized in section 3 of this Act; *Provided*, That no wild free-roaming horse or burro or its remains may be sold or transferred for consideration for processing into commercial products.".

"Excess animals."

(b) A new subsection (f) is added to section 2 of the Act of December 15, 1971, as amended (16 U.S.C. 1332) to read as follows:

"(f) 'excess animals' means wild free-roaming horses or burros (1) which have been removed from an area by the Secretary pursuant to applicable law or, (2) which must be removed from an area in order to preserve and maintain a thriving natural ecological balance and multiple-use relationship in that area."

Approved October 25, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-1122 (Comm. on Interior and Insular Affairs) and No. 95-1737 (Comm. of Conference).

SENATE REPORT No. 95-1237 (Comm. on Energy and Natural Resources).

CONGRESSIONAL RECORD, Vol. 124 (1978):

June 29, considered and passed House.

Sept. 30, considered and passed Senate, amended.

Oct. 10, House agreed to conference report.

Oct. 11, Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 43:

Oct. 27, Presidential statement.

Public Law 95-515
95th Congress

An Act

To regulate interstate commerce with respect to parimutuel wagering on horseracing, to maintain the stability of the horseracing industry, and for other purposes.

Oct. 25, 1978
[S. 1185]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, This Act may be cited as the "Interstate Horseracing Act of 1978".

Interstate Horseracing Act of 1978.
15 USC 3001 note.

FINDINGS AND POLICY

15 USC 3001.

SEC. 2. (a) The Congress finds that—

(1) the States should have the primary responsibility for determining what forms of gambling may legally take place within their borders;

(2) the Federal Government should prevent interference by one State with the gambling policies of another, and should act to protect identifiable national interests; and

(3) in the limited area of interstate off-track wagering on horseraces, there is a need for Federal action to ensure States will continue to cooperate with one another in the acceptance of legal interstate wagers.

(b) It is the policy of the Congress in this Act to regulate interstate commerce with respect to wagering on horseracing, in order to further the horseracing and legal off-track betting industries in the United States.

DEFINITIONS

15 USC 3002.

SEC. 3. For the purposes of this Act the term—

(1) "person" means any individual, association, partnership, joint venture, corporation, State or political subdivision thereof, department, agency, or instrumentality of a State or political subdivision thereof, or any other organization or entity;

(2) "State" means each State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States;

(3) "interstate off-track wager" means a legal wager placed or accepted in one State with respect to the outcome of a horserace taking place in another State;

(4) "on-track wager" means a wager with respect to the outcome of a horserace which is placed at the racetrack at which such horserace takes place;

(5) "host State" means the State in which the horserace subject to the interstate wager takes place;

(6) "off-track State" means the State in which an interstate off-track wager is accepted;

(7) "off-track betting system" means any group which is in the business of accepting wagers on horseraces at locations other than the place where the horserace is run, which business is conducted by the State or licensed or otherwise permitted by State law;

(8) "off-track betting office" means any location within an off-track State at which off-track wagers are accepted;

(9) "host racing association" means any person who, pursuant to a license or other permission granted by the host State, conducts the horserace subject to the interstate wager;

(10) "host racing commission" means that person designated by State statute or, in the absence of statute, by regulation, with jurisdiction to regulate the conduct of racing within the host State;

(11) "off-track racing commission" means that person designated by State statute or, in the absence of statute, by regulation, with jurisdiction to regulate off-track betting in that State;

(12) "horsemen's group" means, with reference to the applicable host racing association, the group which represents the majority of owners and trainers racing there, for the races subject to the interstate off-track wager on any racing day;

(13) "parimutuel" means any system whereby wagers with respect to the outcome of a horserace are placed with, or in, a wagering pool conducted by a person licensed or otherwise permitted to do so under State law, and in which the participants are wagering with each other and not against the operator;

(14) "currently operating tracks" means racing associations conducting parimutuel horseracing at the same time of day (afternoon against afternoon; nighttime against nighttime) as the racing association conducting the horseracing which is the subject of the interstate off-track wager;

(15) "race meeting" means those scheduled days during the year a racing association is granted permission by the appropriate State racing commission to conduct horseracing;

(16) "racing day" means a full program of races at a specified racing association on a specified day;

(17) "special event" means the specific individual horserace which is deemed by the off-track betting system to be of sufficient national significance and interest to warrant interstate off-track wagering on that event or events;

(18) "dark days" means those days when racing of the same type does not occur in an off-track State within 60 miles of an off-track betting office during a race meeting, including, but not limited to, a dark weekday when such racing association or associations run on Sunday, and days when a racing program is scheduled but does not take place, or cannot be completed due to weather, strikes and other factors not within the control of the off-track betting system;

(19) "year" means calendar year;

(20) "takeout" means that portion of a wager which is deducted from or not included in the parimutuel pool, and which is distributed to persons other than those placing wagers;

(21) "regular contractual process" means those negotiations by which the applicable horsemen's group and host racing association reach agreements on issues regarding the conduct of horseracing by the horsemen's group at that racing association;

(22) "terms and conditions" includes, but is not limited to, the percentage which is paid by the off-track betting system to the host racing association, the percentage which is paid by the host racing association to the horsemen's group, as well as any arrangements as to the exclusivity between the host racing association and the off-track betting system.

PROHIBITION

SEC. 4. No person may accept an interstate off-track wager except as provided in this Act. 15 USC 3003.

REGULATION

SEC. 5. (a) An interstate off-track wager may be accepted by an off-track betting system only if consent is obtained from— 15 USC 3004.

(1) the host racing association, except that—

(A) as a condition precedent to such consent, said racing association (except a not-for-profit racing association in a State where the distribution of off-track betting revenues in that State is set forth by law) must have a written agreement with the horsemen's group, under which said racing association may give such consent, setting forth the terms and conditions relating thereto; provided,

(B) that where the host racing association has a contract with a horsemen's group at the time of enactment of this Act which contains no provisions referring to interstate off-track betting, the terms and conditions of said then-existing contract shall be deemed to apply to the interstate off-track wagers and no additional written agreement need be entered into unless the parties to such then-existing contract agree otherwise. Where such provisions exist in such existing contract, such contract shall govern. Where written consents exist at the time of enactment of this Act between an off-track betting system and the host racing association providing for interstate off-track wagers, or such written consents are executed by these parties prior to the expiration of such then-existing contract, upon the expiration of such then-existing contract the written agreement of such horsemen's group shall thereafter be required as such condition precedent and as a part of the regular contractual process, and may not be withdrawn or varied except in the regular contractual process. Where no such written consent exists, and where such written agreement occurs at a racing association which has a regular contractual process with such horsemen's group, said agreement by the horsemen's group may not be withdrawn or varied except in the regular contractual process;

(2) the host racing commission;

(3) the off-track racing commission.

(b)(1) In addition to the requirement of subsection (a), any off-track betting office shall obtain the approval of—

(A) all currently operating tracks within 60 miles of such off-track betting office; and

(B) if there are no currently operating tracks within 60 miles then the closest currently operating track in an adjoining State.

(2) Notwithstanding the provisions of paragraph (1) of this subsection, any off-track betting office in a State with at least 250 days of on-track parimutuel horseracing a year, may accept interstate off-track wagers for a total of 60 racing days and 25 special events a year without the approval required by paragraph (1), if with respect to such 60 racing days, there is no racing of the same type at the same time of day being conducted within the off-track betting State within 60 miles of the off-track betting office accepting the wager, or such racing pro-

gram cannot be completed. Excluded from such 60 days and from the consent required by subsection (b)(1) may be dark days which occur during a regularly scheduled race meeting in said off-track betting State. In order to accept any interstate off-track wager under the terms of the preceding sentence the off-track betting office shall make identical offers to any racing association described in subparagraph (A) of subsection (b)(1). Nothing in this subparagraph shall be construed to reduce or eliminate the necessity of obtaining all the approvals required by subsection (a).

(c) No parimutuel off-track betting system may employ a takeout for an interstate wager which is greater than the takeout for corresponding wagering pools of off-track wagers on races run within the off-track State except where such greater takeout is authorized by State law in the off-track State.

LIABILITY AND DAMAGES

15 USC 3005.

SEC. 6. Any person accepting any interstate off-track wager in violation of this Act shall be civilly liable for damages to the host State, the host racing association and the horsemen's group. Damages for each violation shall be based on the total of off-track wagers as follows:

(1) If the interstate off-track wager was of a type accepted at the host racing association, damages shall be in an amount equal to that portion of the takeout which would have been distributed to the host State, host racing association and the horsemen's group, as if each such interstate off-track wager had been placed at the host racing association.

(2) If such interstate off-track wager was of a type not accepted at the host racing association, the amount of damages shall be determined at the rate of takeout prevailing at the off-track betting system for that type of wager and shall be distributed according to the same formulas as in paragraph (1) above.

CIVIL ACTION

15 USC 3006.

SEC. 7. (a) The host State, the host racing association, or the horsemen's group may commence a civil action against any person alleged to be in violation of this Act, for injunctive relief to restrain violations and for damages in accordance with section 6.

(b) In any civil action under this section, the host State, the host racing association and horsemen's group, if not a party, shall be permitted to intervene as a matter of right.

(c) A civil action may not be commenced pursuant to this section more than 3 years after the discovery of the alleged violation upon which such civil action is based.

(d) Nothing in this Act shall be construed to permit a State to be sued under this section other than in accordance with its applicable laws.

JURISDICTION AND VENUE

15 USC 3007.

SEC. 8. (a) Notwithstanding any other provision of law, the district courts of the United States shall have jurisdiction over any civil action under this Act, without regard to the citizenship of the parties or the amount in controversy.

(b) A civil action under this Act may be brought in any district court of the United States for a district located in the host State or the off-track State, and all process in any such civil action may be served in any judicial district of the United States.

(c) The jurisdiction of the district courts of the United States pursuant to this section shall be concurrent with that of any State court of competent jurisdiction located in the host State or the off-track State.

EFFECTIVE DATE; APPLICABILITY

SEC. 9. (a) The provisions of this Act shall take effect on the date of enactment of this Act, and, except as provided in subsection (b) of this section, shall apply to any interstate off-track wager accepted on or after such date of enactment. 15 USC 3001 note.

(b)(1) The provisions of this Act shall not apply to any interstate off-track wager which is accepted pursuant to a contract existing on May 1, 1978.

(2) The provisions of this Act shall not apply to any form of legal non-parimutuel off-track betting existing in a State on May 1, 1978.

(3) The provisions of subsection (b) of section 5 of this Act shall not apply to any parimutuel off-track betting system existing on May 1, 1978, in a State which does not conduct parimutuel horseracing on the date of enactment of this Act.

Approved October 25, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1733 (Comm. on Interstate and Foreign Commerce).
SENATE REPORTS: No. 95-554 (Comm. on Commerce, Science, and Transportation) and No. 95-1117 (Comm. on the Judiciary).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 26, considered and passed Senate.
Oct. 10, H.R. 14089 considered and passed House; passage vacated, and S. 1185 passed in lieu.

Public Law 95-516
95th Congress

An Act

Oct. 25, 1978
[H.R. 10161]

For the relief of Eastern Telephone Supply and Manufacturing, Incorporated, and other matters.

Eastern Telephone Supply and Manufacturing, Inc.
Natural graphite, duty suspension.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the time limitations in section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or in any other provision of law, Eastern Telephone Supply and Manufacturing, Incorporated, of Newport, Rhode Island, may file, within sixty days after the date of enactment of this Act, a protest with the United States Customs Service concerning the overpayment of customs duties on goods purchased from Bell of Canada that entered the United States through Buffalo, New York, and Champlain, New York, during the period from February 1974, to December 1974, inclusive. The United States Customs Service shall accept such protest as if it were filed in a timely fashion and shall review such protest in accordance with the otherwise applicable provisions of law.

SEC. 2. SUSPENSION OF DUTY ON NATURAL GRAPHITE.

19 USC 1202 app.

(a) Item 909.01 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by striking out "6/30/78" and inserting in lieu thereof "6/30/81".

19 USC 1202 app. note.

(b) The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after June 30, 1978.

19 USC 1202 app. note.

(c) Upon request therefor filed with the customs officer concerned on or before the ninetieth day after the date of enactment of this Act, the entry of any article—

(1) which was made on or after June 30, 1978, and before the date of enactment of this Act, and

(2) with respect to which there would have been no duty if the amendment made by subsection (a) of this section applied to such entry

shall, notwithstanding the provisions of section 514 of the Tariff Act of 1930, or any other provisions of law, be liquidated or reliquidated as though such entry has been made on the date of enactment of this Act.

19 USC 1514.

Approved October 25, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1363 (Comm. on Ways and Means).
SENATE REPORT No. 95-1114 (Comm. on Finance).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Aug. 1, considered and passed House.
Aug. 23, considered and passed Senate, amended.
Oct. 10, House agreed to certain Senate amendments, disagreed to Senate amendment No. 2.
Oct. 12, Senate receded from amendment No. 2.

Public Law 95-517
95th Congress

An Act

To authorize the Secretary of the Army to return to the Federal Republic of Germany ten paintings of the German Navy seized by the United States Army at the end of World War II.

Oct. 25, 1978
[H.R. 11945]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army is authorized to transfer to the Federal Republic of Germany, without compensation, title to, and custody of, ten paintings by the artist Claus Bergen depicting the German Navy that were seized from the German Government by the United States Army after World War II.

Naval paintings, return to Federal Republic of Germany.

SEC. 2. No funds of the United States may be expended in connection with any transportation or handling costs incident to the transfer authorized under the first section of this Act.

Approved October 25, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1575 (Comm. on Armed Services).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 2, considered and passed House.
Oct. 14, considered and passed Senate.

Public Law 95-518
95th Congress

An Act

Oct. 25, 1978
[H.R. 12112]

Designating Gathright Lake on the Jackson River, Virginia, as Gathright Dam and Lake Moomaw.

Gathright Dam and Lake Moomaw, Va. Designation.
33 USC 701j.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Gathright Lake, Jackson River, Virginia project, authorized by the Flood Control Act of 1946, approved July 24, 1946, shall hereafter be known and designated as Gathright Dam and Lake Moomaw, and any law, regulation, map, document, or record of the United States in which such lake is designated or referred to as Gathright Lake or is referred to by any other name, shall be held and considered to refer to such lake under and by the name of Gathright Dam and Lake Moomaw.

Approved October 25, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1094 (Comm. on Public Works and Transportation).
SENATE REPORT No. 95-1165 (Comm. on Environment and Public Works).
CONGRESSIONAL RECORD, Vol. 124 (1978):
May 15, considered and passed House.
Sept. 6, considered and passed Senate, amended.
Oct. 15, House agreed to Senate amendments.

Public Law 95-519
95th Congress

An Act

To clarify the status of certain legislative and judicial officers under the provisions of title 5, United States Code, relating to annual and sick leave, and for other purposes.

Oct. 25, 1978
[S. 1626]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6301(2) of title 5, United States Code, is amended—

Federal employees. Certain legislative and judicial officers, leave status.

(1) by striking out "or" at the end of clause (xi);

(2) by striking out the period at the end of clause (xii) and inserting "; or" in lieu thereof; and

"(3) by adding at the end thereof the following new clause:

"(xiii) an officer in the legislative or judicial branch who is appointed by the President.".

SEC. 2. Sections 5551(b), 6302(e), and 6306(b) of title 5, United States Code, are each amended by striking out "section 6301(2)(x)-(xii)" each place it appears and inserting "section 6301(2)(x)-(xiii)" in lieu thereof.

SEC. 3. Section 8339(m) of title 5, United States Code, is amended by adding at the end thereof the following new sentence: "For the purpose of this subsection, in the case of any such employee who is excepted from subchapter I of chapter 63 of this title under section 6301(2)(x)-(xiii) of this title, the days of unused sick leave to his credit include any unused sick leave standing to his credit when he was excepted from such subchapter.".

Retirement, annuity computation.
5 USC 6301 *et seq.*

SEC. 4. (a) The amendments made by the first section and section 2 of this Act shall take effect beginning on the first day of the first applicable pay period beginning on or after the date of the enactment of this Act.

Effective date.
5 USC 5551 note.

(b) The amendment made by section 3 of this Act shall apply only with respect to employees who retire or die on or after the date of the enactment of this Act.

Approved October 25, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1496 (Comm. on Post Office and Civil Service).
SENATE REPORT No. 95-403 (Comm. on Governmental Affairs).
CONGRESSIONAL RECORD:
Vol. 123 (1977): Sept. 9, considered and passed Senate.
Vol. 124 (1978): Sept. 18, considered and passed House, amended.
Oct. 10, Senate concurred in House amendments.

Public Law 95-520
95th Congress

An Act

Oct. 26, 1978
[H.R. 5029]

To amend title 38, United States Code, to extend certain expiring programs of the Veterans' Administration, to extend and improve the program of veterans readjustment appointments in the Federal Government, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' Administration Programs Extension Act of 1978".

Veterans' Administration Programs Extension Act of 1978.

SEC. 2. Section 230(b) of title 38, United States Code, relating to the Veterans' Administration office in the Republic of the Philippines, is amended by striking out "June 30, 1978" and inserting in lieu thereof "September 30, 1981".

38 USC 101 note.

SEC. 3. (a) Section 624(c) of title 38, United States Code, relating to the veterans medical center in the Republic of the Philippines, is amended by striking out "Veterans Memorial Hospital" and inserting in lieu thereof "Veterans Memorial Medical Center".

38 USC 632.

(b) Section 632 of such title is amended—

(1) by striking out "Veterans Memorial Hospital" each place it appears in such section and inserting in lieu thereof in each such place "Veterans Memorial Medical Center";

(2) in the matter in subsection (a) preceding clause (1)—

(A) by striking out "a contract" and inserting in lieu thereof "contracts"; and

(B) by striking out "June 30, 1978" and inserting in lieu thereof "September 30, 1981";

(3) by striking out "July 1, 1978" in subsection (b) and inserting in lieu thereof "October 1, 1981"; and

(4) by striking out "during the five years beginning July 1, 1973, and ending June 30, 1978—" in subsection (d) and inserting in lieu thereof "occurring during the period beginning July 1, 1973, and ending September 30, 1981—".

SEC. 4. Section 6(a)(2) of the Veterans' Administration Physician and Dentist Pay Comparability Act of 1975 (Public Law 94-123; 89 Stat. 669), relating to the expiration of authority to enter into special pay agreements, is amended by striking out "September 30, 1978" and inserting in lieu thereof "September 30, 1981".

38 USC 4118 note.

SEC. 5. Section 601(4)(C) of title 38, United States Code, relating to contract-care medical facilities, is amended by striking out "(v) hospital care" and all that follows through "December 31, 1978" and inserting in lieu thereof "(v) hospital care, or medical services that will obviate the need for hospital admission, for veterans in a State not contiguous to the forty-eight contiguous States, except that the annually determined hospital patient load and incidence of the provision of medical services to veterans hospitalized or treated at the expense of the Veterans' Administration in Government and private facilities in each such noncontiguous State shall be consistent with the patient load or incidence of the provision of medical services for veterans hospitalized or treated by the Veterans' Administration within the forty-eight contiguous States, but the authority of the Administrator under this subclause (except with respect to Alaska and Hawaii) shall

expire on December 31, 1981, and until such date the Administrator may, if necessary to prevent hardship, waive the applicability to the Commonwealth of Puerto Rico and to the Virgin Islands of the restrictions in this subclause with respect to hospital patient loads and incidence of provision of medical services".

SEC. 6. (a) Section 2012(b) of title 38, United States Code, relating to veterans' employment emphasis under Federal contracts, is amended by inserting after "veterans" a comma and "or if any veteran who is entitled to disability compensation under the laws administered by the Veterans' Administration believes that any such contractor has discriminated against such veteran because such veteran is a handicapped individual within the meaning of section 7(6) of the Rehabilitation Act of 1973 (29 U.S.C. 706(6))".

(b)(1) Subsection (b) of section 2014 of such title, relating to veterans readjustment appointments within the Federal Government, is amended to read as follows: 38 USC 2014.

"(b)(1) To further the policy stated in subsection (a) of this section, veterans of the Vietnam era shall be eligible, in accordance with regulations which the Civil Service Commission shall prescribe, for veterans readjustment appointments, and for subsequent career-conditional appointments, under the terms and conditions specified in Executive Order Numbered 11521 (March 26, 1970), except that— Vietnam veterans. 5 USC 3302 note.

"(A) such an appointment may be made up to and including the level GS-7 or its equivalent;

"(B) a veteran of the Vietnam era shall be eligible for such an appointment without any time limitation with respect to eligibility for such an appointment; and

"(C) a veteran of the Vietnam era who is entitled to disability compensation under the laws administered by the Veterans' Administration or whose discharge or release from active duty was for a disability incurred or aggravated in line of duty shall be eligible for such an appointment without regard to the number of years of education completed by such veteran.

"(2) In this subsection, the term 'veteran of the Vietnam era' has the meaning given such term in section 2011(2)(A) of this title. "Veteran of the Vietnam era." 38 USC 2011.

"(3) No veterans readjustment appointment may be made under authority of this subsection after September 30, 1981.".

(2) Subsection (d) of such section is amended (A) by striking out "thereof" in the second sentence and inserting in lieu thereof "of this section", and (B) by adding at the end of such subsection the following new sentence: "Each report under the preceding sentence shall include in the specification of the use and extent of appointments made under subsection (b) of this section the following information (shown for all veterans and separately for veterans described in subsection (b)(1)(C) of this section and other veterans): Report.

"(1) The number of appointments made under such subsection since the last such report and the grade levels in which such appointments were made.

"(2) The number of individuals receiving appointments under such subsection whose appointments were converted to career conditional appointments, or whose employment under such an appointment has terminated, since the last such report, together with a complete listing of categories of causes of appointment terminations and the number of such individuals whose employment has terminated falling into each such category.

"(3) The number of such terminations since the last such report that were initiated by the department, agency, or instrumentality involved and the number of such terminations since the last such report that were initiated by the individual involved.

"(4) A description of the education and training programs in which individuals appointed under such subsection are participating at the time of such report.".

38 USC 2014.

(3) Subsection (f) of such section is amended by inserting "subsection (a) of" after "as used in".

SEC. 7. Section 5082 of title 38, United States Code, relating to authorizations of appropriations, is amended by adding at the end thereof the following new subsection:

Appropriation authorization.

"(c) There is authorized to be appropriated for fiscal year 1979 to carry out the programs authorized under this chapter such sums as may be necessary (1) to make to institutions with which the Administrator has entered into agreements under subchapter I of this chapter supplemental grants for which the Administrator had, before May 1, 1978, approved applications from such institutions, and (2) to meet fully the commitments made by the Administrator before May 1, 1978, for grants and applications approved under authority of this subchapter and subchapters III and IV of this chapter, except that no funds appropriated under this subsection may be used for grants and applications approved under this subchapter and such subchapters III and IV until the full amounts for which applications had been so approved have been obligated under such subchapter I.".

38 USC 5071.

38 USC 5071, 5091, 5096.

Report to Congress and President.

SEC. 8. (a) Not later than February 1, 1980, the Administrator of Veterans' Affairs shall submit a report to the Congress and to the President on the furnishing by the Veterans' Administration of hospital care and medical services in the Commonwealth of Puerto Rico and in the Virgin Islands. The Administrator shall include in such report—

38 USC 601 note.

(1) a comprehensive assessment of the health-care needs of veterans in the Commonwealth of Puerto Rico and in the Virgin Islands;

Report.

(2) a detailed report on the hospital care and medical services furnished or to be furnished to such veterans during fiscal years 1975 through 1981, with information in such report shown with respect to the number of veterans treated or to be treated, the facilities at which such care and services are furnished or to be furnished, and the extent to which such care and services are furnished or are to be furnished for the treatment of veterans for service-connected disabilities of any degree and of veterans with service-connected disabilities rated at 50 per centum or more; and

(3) recommendations as to how the health-care needs of such veterans can best be addressed within the existing authority of the Administrator of Veterans' Affairs and what additional authority, if any, is necessary and desirable to meet such needs.

(b) In making recommendations under subsection (a)(3), the Administrator shall take into consideration—

(1) the state of the economy in the Commonwealth of Puerto Rico and in the Virgin Islands;

(2) alternative sources of health-care services that would be available to veterans in the Commonwealth of Puerto Rico and in the Virgin Islands if the health-care services furnished by the Veterans' Administration for non-service-connected disabilities were substantially reduced;

(3) the desirability of equitable distribution of Veterans' Administration health-care resources; and

(4) the higher priority established by law for the care and treatment of service-connected disabilities.

SEC. 9. There is authorized to be appropriated for fiscal year 1979 the sum of $5,000,000 to enable the Administrator of Veterans' Affairs to implement the Veterans' and Survivors' Pension Improvement Act of 1978. Amounts appropriated pursuant to the preceding sentence shall remain available during the one-year period beginning on the date of the enactment of such Act and may be used to carry out a program of public information and advertising designed to advise fully all persons who may be affected by the provisions of such Act of the provisions of such Act, including the manner in which such Act may affect them and any rights they may have under such Act.

Appropriation. authorization.

Approved October 26, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-111 (Comm. on Veterans' Affairs).
SENATE REPORT No. 95-825 (Comm. on Veterans' Affairs).
CONGRESSIONAL RECORD:
Vol. 123 (1977): Apr. 4, considered and passed House.
Vol. 124 (1978): May 26, considered and passed Senate, amended.
Oct. 13, House concurred in Senate amendments with amendments.
Oct. 15, Senate concurred in House amendments.

Public Law 95-521
95th Congress

An Act

Oct. 26, 1978
[S. 555]

To establish certain Federal agencies, effect certain reorganizations of the Federal Government, to implement certain reforms in the operation of the Federal Government and to preserve and promote the integrity of public officials and institutions, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Ethics in Government Act of 1978".

Ethics in Government Act of 1978.
2 USC 701 note.

TITLE I—LEGISLATIVE PERSONNEL FINANCIAL DISCLOSURE REQUIREMENTS

COVERAGE

Reports, filing.
2 USC 701.

SEC. 101. (a) Each Member in office on May 15 of a calendar year shall file on or before May 15 of that calendar year a report containing the information as described in section 102(a).

(b) Any individual who is an officer or employee of the legislative branch designated in subsection (e) during any calendar year and performs the duties of his position or office for a period in excess of sixty days in that calendar year shall file on or before May 15 of the succeeding year a report containing the information as described in section 102(a).

(c) Within thirty days of assuming the position of an officer or employee designated in subsection (e), an individual other than an individual employed in the legislative branch upon assuming such position shall file a report containing the information as described in section 102(b) unless the individual has left another position designated in subsection (e) within thirty days prior to assuming his new position. This subsection shall take effect on January 1, 1979.

Effective date.

(d) Within thirty days of becoming a candidate in a calendar year for any election for the office of Member, or on or before May 15 of that calendar year, which ever is later, but in no event later than seven days prior to the election, and on or before May 15 of each successive year the individual continues to be a candidate, an individual shall file a report containing the information as described in section 102(b).

(e) The officers and employees referred to in subsections (b) and (c) are—

(1) each officer or employee of the legislative branch who is compensated at a rate equal to or in excess of the annual rate of basic pay in effect for grade GS-16 of the General Schedule; and

5 USC 5332 note.

(2) at least one principal assistant designated for purposes of this section by each Member who does not have an employee compensated at a rate equal to or in excess of the annual rate of basic pay in effect for grade GS-16 of the General Schedule.

Legislative branch.

For the purposes of this title, the legislative branch includes the Architect of the Capitol, the Botanic Gardens, the Congressional Budget Office, the Cost Accounting Standards Board, the General Accounting Office, the Government Printing Office, the Library of Congress, the Office of the Attending Physician, and the Office of Technology Assessment.

(f) Reasonable extensions of time for filing any report may be granted by the designated committee of the Senate with respect to those filing with the Secretary and by the designated committee of the House of Representatives with respect to those filing with the Clerk but in no event may the extension granted to a Member or candidate result in a required report being filed later than seven days prior to an election involving the Member or candidate. If the day on which a report is required to be filed falls on a weekend or holiday, the report may be filed on the next business day. Time extension.

(g) Notwithstanding the dates specified in subsection (d) of this section, an individual who is a candidate in calendar year 1978 shall file the report required by such subsection not later than November 1, 1978, except that a candidate for the Senate who has filed a report as of such date pursuant to the Rules of the Senate need not file the report required by subsection (d) of this section.

CONTENTS OF REPORTS

SEC. 102. (a) Each report filed pursuant to subsections (a) and (b) of section 101 shall include a full and complete statement with respect to the following: 2 USC 702.

(1)(A) The source, type, and amount or value of income (other than income referred to in subparagraph (B)) from any source (other than from current employment by the United States Government), and the source, date, and amount of honoraria from any source, received during the preceding calendar year, aggregating $100 or more in value.

(B) The source and type of income which consists of dividends, interest, rent, and capital gains, received during the preceding calendar year which exceeds $100 in amount or value, and an indication of which of the following categories the amount or value of such item of income is within:

(i) not more than $1,000,
(ii) greater than $1,000 but not more than $2,500,
(iii) greater than $2,500 but not more than $5,000,
(iv) greater than $5,000 but not more than $15,000,
(v) greater than $15,000 but not more than $50,000,
(vi) greater than $50,000 but not more than $100,000, or
(vii) greater than $100,000.

(2)(A) The identity of the source and a brief description of any gifts of transportation, lodging, food, or entertainment aggregating $250 or more in value received from any source other than a relative of the reporting individual during the preceding calendar year, except that any food, lodging, or entertainment received as personal hospitality of any individual need not be reported, and any gift with a fair market value of $35 or less need not be aggregated for purposes of this subparagraph.

(B) The identity of the source, a brief description, and the value of all gifts other than transportation, lodging, food, or entertainment aggregating $100 or more in value received from any source other than a relative of the reporting individual during the preceding calendar year, except that any gift with a fair market value of $35 or less need not be aggregated for purposes of this subparagraph. A gift need not be so aggregated if in an unusual case, a publicly available request for a waiver is granted.

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(C) The identity of the source and a brief description of reimbursements received from any source aggregating $250 or more in value and received during the preceding calendar year.

(3) The identity and category of value of any interest in property held during the preceding calendar year in a trade or business, or for investment or the production of income, which has a fair market value which exceeds $1,000 as of the close of the preceding calendar year, excluding any personal liability owed to the reporting individual by a relative or any deposits aggregating $5,000 or less in a personal savings account. For purposes of this paragraph, a personal savings account shall include any certificate of deposit or any other form of deposit in a bank, savings and loan association, credit union, or similar financial institution.

Personal savings account.

(4) The identity and category of value of the total liabilities owed to any creditor other than a relative which exceed $10,000 at any time during the preceding calendar year, excluding—

(A) any mortgage secured by real property which is a personal residence of the reporting individual or his spouse;

(B) any loan secured by a personal motor vehicle, household furniture, or appliances, which loan does not exceed the purchase price of the item which secures it.

With respect to revolving charge accounts, only those with an outstanding liability which exceeds $10,000 as of the close of the preceding calendar year need be reported under this paragraph.

(5) Except as provided in this paragraph, a brief description, the date, and category of value of any purchase, sale, or exchange during the preceding calendar year which exceeds $1,000—

(A) in real property, other than property used solely as a personal residence of the reporting individual or his spouse; or

(B) in stocks, bonds, commodities futures, and other forms of securities.

Reporting is not required under this paragraph of any transaction solely by and between the reporting individual, his spouse, or dependent children.

(6) The identity of all positions on or before the date of filing during the current calendar year as an officer, director, trustee, partner, proprietor, representative, employee, or consultant of any corporation, company, firm, partnership, or other business enterprise, any nonprofit organization, any labor organization, or any educational or other institution other than the United States. This paragraph shall not require the reporting of positions held in any religious, social, fraternal, or political entity and positions solely of an honorary nature.

(7) A description of the date, parties to, and terms of any agreement or arrangement with respect to: (A) future employment; (B) a leave of absence during the period of the reporting individual's Government service; (C) continuation of payments by a former employer other than the United States Government; and (D) continuing participation in an employee welfare or benefit plan maintained by a former employer.

(b) Each report filed pursuant to subsections (c) and (d) of section 101 shall include a full and complete statement with respect to the information required by paragraphs (3), (4), (6), and (in the case of reports filed pursuant to subsection (c) of section 101) (7) of sub-

section (a), as of a date, specified in such report, which shall be not more than thirty-one days prior to the date of filing, and the information required by paragraph (1) of subsection (a) for the year of filing and the preceding calendar year.

(c)(1) The categories for reporting the amount or value of the items covered in paragraphs (3), (4) and (5) of subsection (a) are as follows:

(A) not more than $5,000;
(B) greater than $5,000 but not more than $15,000;
(C) greater than $15,000 but not more than $50,000;
(D) greater than $50,000 but not more than $100,000;
(E) greater than $100,000 but not more than $250,000; and
(F) greater than $250,000.

(2) For the purposes of paragraph (3) of subsection (a) if the current value of an interest in real property (or an interest in a real estate partnership) is not ascertainable without an appraisal, an individual may list (A) the date of purchase and the purchase price of the interest in the real property, or (B) the assessed value of the real property for tax purposes, adjusted to reflect the market value of the property used for the assessment if the assessed value is computed at less than 100 percent of such market value, but such individual shall include in his report a full and complete description of the method used to determine such assessed value, instead of specifying a category of value pursuant to paragraph (1) of this subsection. If the current value of any other item required to be reported under paragraph (3) of subsection (a) is not ascertainable without an appraisal, such individual may list the book value of a corporation whose stock is not publicly traded, the net worth of a business partnership, the equity value of an individually owned business, or with respect to other holdings, any recognized indication of value, but such individual shall include in his report a full and complete description of the method used in determining such value. In lieu of any value referred to in the preceding sentence, an individual may list the assessed value of the item for tax purposes, adjusted to reflect the market value of the item used for the assessment if the assessed value is computed at less than 100 percent of such market value, but a full and complete description of the method used in determining such assessed value shall be included in the report.

(d)(1) Except as provided in the last sentence of this paragraph, each report shall also contain information listed in paragraphs (1) through (5) of subsection (a) respecting the spouse or dependent child of the reporting individual as follows:

(A) The source of items of earned income earned by a spouse from any person which exceed $1,000 and, with respect to a spouse or dependent child, all information required to be reported in subsection (a)(1)(B) with respect to income derived from any asset held by the spouse or dependent child and reported pursuant to paragraph (3). With respect to earned income, if the spouse is self-employed in business or a profession, only the nature of such business or profession need be reported.

(B) In the case of any gift which is not received totally independent of the spouse's relationship to the reporting individual, the identity of the source and a brief description of gifts of transportation, lodging, food, or entertainment or a brief description and the value of other gifts.

(C) In the case of any reimbursement which is not received totally independent of the spouse's relationship to the reporting individual, the identity of the source and a brief description of the reimbursement.

Certification.

(D) In the case of items described in paragraphs (3) through (5), all information required to be reported under these paragraphs other than items (i) which the reporting individual certifies represent the spouse or dependent child's sole financial interest or responsibility and which the reporting individual has no knowledge of, (ii) which are not in any way, past or present, derived from the income, assets, or activities of the reporting individual, and (iii) from which the reporting individual neither derives, nor expects to derive, any financial or economic benefit.

Each report referred to in subsection (b) of this section shall, with respect to the spouse and dependent child of the reporting individual, only contain information listed in paragraphs (1), (3), and (4) of subsection (a), as specified in this paragraph.

(2) No report shall be required with respect to a spouse living separate and apart from the reporting individual with the intention of terminating the marriage or providing for permanent separation; or with respect to any income or obligations of an individual arising from the dissolution of his marriage or the permanent separation from his spouse.

(e)(1) Except as provided in paragraph (2), each reporting individual shall report the information required to be reported pursuant to subsections (a) and (b) of this section with respect to the holdings of and the income from a trust or other financial arrangement from which income is received by, or with respect to which a beneficial interest in principal or income is held by, such individual, his spouse, or any dependent child.

(2) A reporting individual need not report the holdings of or the source of income from any of the holdings of—

(A) any qualified blind trust (as defined in paragraph (3)); or

(B) a trust—

(i) which was not created directly by such individual, his spouse, or any dependent child, and

(ii) the holdings or sources of income of which such individual, his spouse, and any dependent child have no knowledge of,

but such individual shall report the category of the amount of income received by him, his spouse, or any dependent child from the trust under subsection (a)(1)(B) of this section.

"Qualified blind trust."

(3) For purposes of this subsection, the term "qualified blind trust" includes any trust in which a reporting individual, his spouse, or any dependent child has a beneficial interest in the principal or income, and which meets the following requirements:

(A) The trustee of the trust is a financial institution, an attorney, a certified public accountant, or a broker, who (in the case of a financial institution or investment company, any officer or employee involved in the management or control of the trust who)—

(i) is independent of and unassociated with any interested party so that the trustee cannot be controlled or influenced in the administration of the trust by any interested party,

(ii) is or has not been an employee of any interested party, or any organization affiliated with any interested party and is not a partner of, or involved in any joint venture or other investment with, any interested party, and

(iii) is not a relative of any interested party.

(B) Any asset transferred to the trust by an interested party is free of any restriction with respect to its transfer or sale unless such restriction is expressly approved by the supervising ethics office of the reporting individual.

(C) The trust instrument which establishes the trust provides that—

(i) except to the extent provided in subparagraph (B) of this paragraph, the trustee in the exercise of his authority and discretion to manage and control the assets of the trust shall not consult or notify any interested party;

(ii) the trust shall not contain any asset the holding of which by an interested party is prohibited by any law or regulation;

(iii) the trustee shall promptly notify the reporting individual and his supervising ethics office when the holdings of any particular asset transferred to the trust by any interested party are disposed of or when the value of such holding is less than $1,000;

(iv) the trust tax return shall be prepared by the trustee or his designee, and such return and any information relating thereto (other than the trust income summarized in appropriate categories necessary to complete an interested party's tax return), shall not be disclosed to any interested party;

(v) an interested party shall not receive any report on the holdings and sources of income of the trust, except a report at the end of each calendar quarter with respect to the total cash value of the interest of the interested party in the trust or the net income or loss of the trust or any reports necessary to enable the interested party to complete an individual tax return required by law or to provide the information required by subsection (a)(1)(B) of this section but such report shall not identify any asset or holding;

(vi) except for communications which solely consist of requests for distributions of cash or other unspecified assets of the trust, there shall be no direct or indirect communication between the trustee and an interested party with respect to the trust unless such communication is in writing and unless it relates only (I) to the general financial interest and needs of the interested party (including, but not limited to, an interest in maximizing income or long-term capital gain), (II) to the notification of the trustee of a law or regulation subsequently applicable to the reporting individual which prohibits the interested party from holding an asset, which notification directs that the asset not be held by the trust, or (III) to directions to the trustee to sell all of an asset initially placed in the trust by an interested party which in the determination of the reporting individual creates a conflict of interest or the appearance thereof due to the subsequent assumption of duties by the reporting individual (but nothing herein shall require any such direction); and

(vii) the interested parties shall make no effort to obtain information with respect to the holdings of the trust, including obtaining a copy of any trust tax return filed or any information relating thereto except as otherwise provided in this subsection.

(D) The proposed trust instrument and the proposed trustee is approved by the reporting individual's supervising ethics office.

Definitions.

For purposes of this subsection "interested party" means a reporting individual, his spouse, and any dependent child if the reporting individual, his spouse, or dependent child has a beneficial interest in the principal or income of a qualified blind trust; "broker" has the meaning set forth in section 78 of title 15, United States Code; and "supervising ethics office" means the designated committee of the House of Representatives for those who file their reports required by this title with the Clerk and the designated committee of the Senate for those who file the reports required by this title with the Secretary.

(4) An asset placed in a trust by an interested party shall be considered a financial interest of the reporting individual, for the purposes of section 208 of title 18, United States Code, and any other conflict of interest statutes or regulations of the Federal Government, until such time as the reporting individual is notified by the trustee that such asset has been disposed of, or has a value of less than $1,000.

Copy, filing with ethics office.

(5)(A) The reporting individual shall, within thirty days after a qualified blind trust is approved by his supervising ethics office, file with such office a copy of—

(i) the executed trust instrument of such trust (other than those provisions which relate to the testamentary disposition of the trust assets), and

(ii) a list of the assets which were transferred to such trust, including the category of value of each asset as determined under subsection (c)(1) of this section.

Notification.

(B) The reporting individual shall, within thirty days of transferring an asset (other than cash) to a previously established qualified blind trust, notify his supervising ethics office of the identity of each such asset and the category of value of each asset as determined under subsection (c)(1) of this section.

Dissolution, notification and filing.

(C) Within thirty days of the dissolution of a qualified blind trust, a reporting individual shall—

(i) notify his supervising ethics office of such dissolution, and

(ii) file with such office a copy of a list of the assets of the trust at the time of such dissolution and the category of value under subsection (c) of this subsection of each such asset.

Public availability.

(D) Documents filed under subparagraphs (A), (B), and (C) of this paragraph and the lists provided by the trustee of assets placed in the trust by an interested party which have been sold shall be made available to the public in the same manner as a report is made available under section 104, and the provisions of that section shall apply.

Copy, filing.

(E) A copy of each written communication with respect to the trust under paragraph (3)(C)(vi) shall be filed by the person initiating the communication with the reporting individual's supervising ethics office within five days of the date of the communication.

(6)(A) A trustee of a qualified blind trust shall not knowingly or negligently (i) disclose any information to an interested party with respect to such trust that may not be disclosed under paragraph

(3) of this subsection; (ii) acquire any holding the ownership of which is prohibited by the trust instrument; (iii) solicit advice from any interested party with respect to such trust, which solicitation is prohibited by paragraph (3) of this subsection or the trust agreement; or (iv) fail to file any document required by this subsection.

(B) A reporting individual shall not knowingly or negligently (i) solicit or receive any information with respect to a qualified blind trust of which he is an interested party that may not be disclosed under paragraph (3)(C) of this subsection, or (ii) fail to file any document required by this subsection.

Civil action, penalty.

(C)(i) The Attorney General may bring a civil action in any appropriate United States District Court against any individual who knowingly and willfully violates the provisions of subparagraph (A) or (B) of this paragraph. The court in which such action is brought may assess against such individual a civil penalty in any amount not to exceed $5,000.

(ii) The Attorney General may bring a civil action in any appropriate United States District Court against any individual who negligently violates the provisions of subparagraph (A) or (B) of this paragraph. The court in which such action is brought may assess against such individual a civil penalty in any amount not to exceed $1,000.

Qualified blind trust, considerations.

(7) Any trust which is in existence prior to the date of the enactment of this Act shall be considered a qualified blind trust if—

(A) the supervising ethics office determines that the trust was a good faith effort to establish a blind trust;

(B) the previous trust instrument is amended or, if such trust instrument does not by its terms permit amendment, all parties to the trust instrument, including the reporting individual and the trustee, agree in writing that the trust shall be administered in accordance with the requirements of paragraph (3)(C) and a trustee is (or has been) appointed who meets the requirements of paragraph (3); and

(C) a copy of the trust instrument (except testamentary provisions), a list of the assets previously transferred to the trust by an interested party and the category of value of each such asset at the time it was placed in the trust, and a list of assets previously placed in the trust by an interested party which have been sold are filed and made available to the public as provided under paragraph (5) of this subsection.

(f) Political campaign funds, including campaign receipts and expenditures, need not be included in any report filed pursuant to this title.

FILING OF REPORTS; DUTIES OF CLERK AND SECRETARY

2 USC 703.

SEC. 103. (a) The reports required by section 101 of Representatives, Delegates to Congress, the Resident Commissioner from Puerto Rico, officers and employees of the House, candidates seeking election to the House, and officers and employees of the Architect of the Capitol, the Botanic Gardens, the Congressional Budget Office, the Government Printing Office, and the Library of Congress shall be filed with the Clerk.

(b) The reports required by section 101 of Senators, officers and employees of the Senate, candidates seeking election to the Senate, and

officers and employees of the General Accounting Office, the Cost Accounting Standards Board, the Office of Technology Assessment, and the Office of the Attending Physician shall be filed with the Secretary.

Copies.

(c) A copy of each report filed by a Member or an individual who is a candidate for the office of Member shall be sent by the Clerk or Secretary, as the case may be, to the appropriate State officer as designated in accordance with section 316(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 439(a) of the State represented by the Member or in which the individual is a candidate, as the case may be, within the seven-day period beginning the day that the report is filed with the Clerk or Secretary.

(d)(1) A copy of each report filed under this title with the Clerk shall be sent by the Clerk to the designated committee of the House of Representatives within the seven-day period beginning the day that the report is filed.

(2) A copy of each report filed with the Secretary shall be sent by the Secretary to the designated committee of the Senate.

FEC assistance.

(e) In carrying out their responsibilities under this title, the Clerk and the Secretary shall avail themselves of the assistance of the Federal Election Commission. The Commission shall make available to the Clerk and the Secretary on a regular basis a complete list of names and addresses of all candidates registered with the Commission, and shall cooperate and coordinate its candidate information and notification program with the Clerk and the Secretary to the greatest extent possible.

Reporting forms and rules and regulations, consultation.

(f) In order to carry out responsibilities under this title—

(1) the Clerk shall, after consultation with the designated committee of the House of Representatives, and

(2) the designated committee of the Senate shall

develop reporting forms and may promulgate rules and regulations.

ACCESSIBILITY OF REPORTS

Public inspection. 2 USC 704.

SEC. 104. (a) Except as provided in the second sentence of this subsection, within fifteen calendar days after a report is filed with the Clerk under this title, the Clerk shall make such report available for public inspection at reasonable hours. With respect to reports required to be filed by May 15 of any year, such reports shall be made available for public inspection within fifteen calendar days after May 15 of such year. A copy of any such report shall be provided by the Clerk to any person upon request.

(b) Except as provided in the second sentence of this subsection, within fifteen days after a report is filed with the Secretary under this title, the Secretary shall make such report available for public inspection at reasonable hours. With respect to reports required to be filed by May 15 of any year, such reports shall be made available for public inspection within fifteen calendar days after May 15 of such year. A copy of any such report shall be provided by the Secretary to any person upon request.

Copy, fee.

(c) Any person requesting a copy of a report may be required to pay a reasonable fee to cover the cost of reproduction or mailing of such report, excluding any salary of any employee involved in such reproduction or mailing. A copy of such report may be furnished without charge or at a reduced charge if it is determined by the Clerk

or Secretary that waiver or reduction of the fee is in the public interest because furnishing the information may be considered as primarily benefiting the public.

(d) Any report filed under this title with the Clerk or Secretary shall be available to the public for a period of six years after receipt of the report. After such six-year period the report shall be destroyed unless needed in an ongoing investigation, except that in the case of an individual who filed the report pursuant to section 101(d) and was not subsequently elected, such reports shall be destroyed one year after the individual is no longer a candidate for election to the office of Member unless needed in an ongoing investigation.

Unlawful actions.

(e)(1) It shall be unlawful for any person to obtain or use a report—

(A) for any unlawful purpose;

(B) for any commercial purpose other than by news and communications media for dissemination to the general public;

(C) for determining or establishing the credit rating of any individual; or

(D) for use, directly or indirectly, in the solicitation of money for any political, charitable, or other purpose.

Civil action, penalty.

(2) The Attorney General may bring a civil action against any person who obtains or uses a report for any purpose prohibited in paragraph (1). The court in which such action is brought may assess against such person a penalty in any amount not to exceed $5,000. Such remedy shall be in addition to any other remedy available under statutory or common law.

REVIEW AND COMPLIANCE PROCEDURES

2 USC 705.

SEC. 105. (a) The designated committee of the House of Representatives and the designated committee of the Senate shall establish procedures for the review of reports sent to them under section 103(d)(1) and section 103(d)(2) to determine whether the reports are filed in a timely manner, are complete, and are in proper form. In the event a determination is made that a report is not so filed, the appropriate committee shall so inform the reporting individual and direct him to take all necessary corrective action.

Congressional committee advisory opinions.

(b) In order to carry out their responsibilities under this title the designated committee of the House of Representatives and the designated committee of the Senate, have power, within their respective jurisdictions, to render any advisory opinion interpreting this title, in writing, to persons covered by this title. Notwithstanding any other provisions of law, the individual to whom a public advisory opinion is rendered in accordance with this subsection, and any other individual covered by this title who is involved in a fact situation which is indistinguishable in all material aspects, and who, after the issuance of the advisory opinion, acts in good faith in accordance with the provisions and findings of such advisory opinion shall not, as a result of such act, be subject to any sanction provided in this title.

FAILURE TO FILE OR FALSIFYING REPORTS

Civil action.
2 USC 706.

SEC. 106. The Attorney General may bring a civil action in any appropriate United States district court against any individual who knowingly and willfully falsifies or who knowingly and willfully fails

Penalty.

to file or report any information that such individual is required to report pursuant to section 102. The court in which such action is brought may assess against such individual a civil penalty in any amount not to exceed $5,000. No action may be brought under this section against any individual with respect to a report filed by such individual in calendar year 1978 pursuant to section 101(d).

DEFINITIONS

2 USC 707.

SEC. 107. For the purposes of this title, the term—

(1) "income" means all income from whatever source derived, including but not limited to the following items: compensation for services, including fees, commissions, and similar items; net and gross income derived from business; gains derived from dealings in property; interest; rents; royalties; dividends; annuities; income from life insurance and endowment contracts; pensions; income from discharge of indebtedness; distributive share of partnership income; and income from an interest in an estate or trust;

(2) "relative" means an individual who is related to the reporting individual, as father, mother, son, daughter, brother, sister, uncle, aunt, great aunt, great uncle, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, or who is the grandfather or grandmother of the spouse of the reporting individual, and shall be deemed to include the fiance or fiancee of the reporting individual;

(3) "gift" means a payment, advance, forbearance, rendering, or deposit of money, or any thing of value, unless consideration of equal or greater value is received by the donor, but does not include—

(A) bequest and other forms of inheritance;

(B) suitable mementos of a function honoring the reporting individual;

(C) food, lodging, transportation, and entertainment provided by State and local governments, or political subdivisions thereof, by a foreign government within a foreign country, or by the United States Government.

(D) food and beverages consumed at banquets, receptions, or similar events;

(E) consumable products provided by home-State businesses to a Member's office for distribution; or

(F) communications to the offices of a reporting individual including subscriptions to newspapers and periodicals;

(4) "honoraria" has the meaning given such term in the Federal Election Campaign Act of 1971;

2 USC 431 note.

(5) "value" means a good faith estimate of the dollar value if the exact value is neither known nor easily obtainable by the reporting individual;

(6) "personal hospitality of any individual" means hospitality extended for a nonbusiness purpose by an individual, not a corporation or organization, at the personal residence of that

individual or his family or on property or facilities owned by that individual or his family;

(7) "dependent child" means, when used with respect to any reporting individual, any individual who is a son, daughter, stepson, or stepdaughter and who—

(A) is unmarried and under age 21 and is living in the household of such reporting individual; or

(B) is a dependent of such reporting individual within the meaning of section 152 of the Internal Revenue Code of 1954; 26 USC 152.

(8) "reimbursement" means any payment or other thing of value received by the reporting individual, other than gifts, to cover travel-related expenses of such individual other than those which are—

(A) provided by the United States Government, the District of Columbia, or any State or political subdivision thereof;

(B) required to be reported by the reporting individual under section 7342 of title 5, United States Code; or

(C) required to be reported under section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434);

(9) "candidate" means an individual, other than a Member, who seeks nomination for election, or election, to the Congress whether or not such individual is elected, and for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election, (A) if he has taken the action necessary under the law of a State to qualify himself for nomination for election, or election, or (B) if he or his principal campaign committee has taken action to register or file campaign reports required by section 304(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a));

(10) "Clerk" means the Clerk of the House of Representatives;

(11) "Secretary" means the Secretary of the Senate;

(12) "Member" means a United States Senator, a Representative in Congress, a Delegate to Congress, or the Resident Commissioner from Puerto Rico;

(13) "election" means (A) a general, special, primary, or runoff election, or (B) a convention or caucus of a political party which has authority to nominate a candidate;

(14) "officer or employee of the House" means any individual, other than a Member, whose compensation is disbursed by the Clerk;

(15) "officer or employee of the Senate" means an individual, other than a Senator or the Vice President, whose compensation is disbursed by the Secretary; and

(16) "designated committee of the House of Representatives and designated committee of the Senate" means the committee of the House or Senate, as the case may be, assigned responsibility for administering the reporting requirements of this title.

OTHER LAWS

SEC. 108. The provisions added by this title, and the regulations issued thereunder, shall supersede and preempt any State or local law with respect to financial disclosure by reason of candidacy for Federal office or employment by the United States Government. 2 USC 708.

GENERAL ACCOUNTING OFFICE STUDY

2 USC 709.

SEC. 109. (a) Before November 30, 1980, and regularly thereafter, the Comptroller General of the United States shall conduct a study to determine whether this title is being carried out effectively and whether timely and accurate reports are being filed by individuals subject to this title.

Report and legislative recommendations to House and Senate.

(b) Within thirty days after completion of the study, the Comptroller General shall transmit a report to each House of Congress containing a detailed statement of his findings and conclusions, together with his recommendations for such legislative and administrative actions as he deems appropriate. The first such study shall include the Comptroller General's findings and recommendations on the feasibility and potential need for a requirement that systematic random audits be conducted of financial disclosure reports filed under this title, including a thorough discussion of the type and nature of audits that might be conducted; the personnel and other costs of audits; the value of an audit to Members, the appropriate House and Senate committees, and the public; and, if conducted, whether a governmental or nongovernmental unit should perform the audits, and under whose supervision.

TITLE II—EXECUTIVE PERSONNEL FINANCIAL DISCLOSURE REQUIREMENTS

PERSONS REQUIRED TO FILE

Reports.
5 USC app.

SEC. 201. (a) Within thirty days of assuming the position of an officer or employee designated in subsection (f), an individual shall file a report containing the information described in section 202(b) unless the individual has left another position designated in subsection (f) within thirty days prior to assuming such new position or has already filed a report under this title with respect to nomination for the new position or as a candidate for the position.

(b) Within five days of the transmittal by the President to the Senate of the nomination of an individual (other than an individual covered by section 301(b) or an individual nominated for appointment to a grade or rank in the uniformed services for which the pay grade prescribed by section 201 of title 37, United States Code, is O-6 or below) to a position, appointment to which requires the advice and consent of the Senate, such individual shall file a report containing the information described in section 202(b). Nothing in this Act shall prevent any Congressional committee from requesting, as a condition of confirmation, any additional financial information from any Presidential nominee whose nomination has been referred to that committee.

(c) Within thirty days of becoming a candidate in a calendar year for nomination or election to the office of President or Vice President, as determined by the Federal Election Commission, or on or before May 15 of that calendar year, whichever is later, and on or before May 15 of each successive year an individual continues to be a candidate, an individual other than an incumbent President or Vice President shall file a report containing the information described in section 202(b).

(d) Any individual who is an officer or employee designated in subsection (f) during any calendar year and performs the duties of his position or office for a period in excess of sixty days in that calendar

year shall file on or before May 15 of the succeeding year a report containing the information described in section 202(a).

(e) Any individual who occupies a position designated in subsection (f) shall, on or before the thirtieth day after termination of employment in such position, file a report containing the information described in section 202(a) covering the preceding calendar year if the report required by subsection (d) has not been filed and covering the portion of that calendar year up to the date the individual left such office or position, unless such individual has accepted employment in another position designated in subsection (f).

(f) The officers and employees referred to in subsections (a), (d), and (e) are—

(1) the President;

(2) the Vice President;

(3) each officer or employee in the executive branch, including a special Government employee as defined in section 202 of title 18, United States Code, whose position is classified at GS–16 or above of the General Schedule prescribed by section 5332 of title 5, United States Code, or the rate of basic pay for which is fixed (other than under the General Schedule) at a rate equal to or greater than the minimum rate of basic pay fixed for GS–16; each member of a uniformed service whose pay grade is at or in excess of O–7 under section 201 of title 37, United States Code; and each officer or employee in any other position determined by the Director of the Office of Government Ethics to be of equal classification; 5 USC 5332 note.

(4) each employee appointed pursuant to section 3105 of title 5, United States Code;

(5) any employee not described in paragraph (3) who is in a position in the executive branch which is excepted from the competitive service by reason of being of a confidential or policymaking character, except that the Director of the Office of Government Ethics may, by regulation, exclude from the application of this paragraph any individual, or group of individuals, who are in such positions, but only in cases in which the Director determines such exclusion would not affect adversely the integrity of the Government or the public's confidence in the integrity of the Government;

(6) the Postmaster General, the Deputy Postmaster General, each Governor of the Board of Governors of the United States Postal Service and each officer or employee of the United States Postal Service whose basic rate of pay is equal to or greater than the minimum rate of basic pay fixed for GS–16; and

(7) the Director of the Office of Government Ethics and each designated agency official.

(g) Reasonable extensions of time for filing any report may be granted under procedures prescribed by the Director of the Office of Government Ethics established by title IV of this Act, but the total of such extensions shall not exceed ninety days. Time extensions.

Post, p. 1862.

CONTENTS OF REPORTS

SEC. 202. (a) Each report filed pursuant to section 201(d) shall include a full and complete statement with respect to the following: 5 USC app.

(1)(A) The source, type, and amount or value of income (other than income referred to in subparagraph (B)) from any source

(other than from current employment by the United States Government), and the source, date, and amount of honoraria from any source, received during the preceding calendar year, aggregating $100 or more in value.

(B) The source and type of income which consists of dividends, rents, interest, and capital gains, received during the preceding calendar year which exceeds $100 in amount or value, and an indication of which of the following categories the amount or value of such item of income is within:

(i) not more than $1,000,
(ii) greater than $1,000 but not more than $2,500,
(iii) greater than $2,500 but not more than $5,000,
(iv) greater than $5,000 but not more than $15,000,
(v) greater than $15,000 but not more than $50,000,
(vi) greater than $50,000 but not more than $100,000, or
(vii) greater than $100,000.

(2)(A) The identity of the source and a brief description of any gifts of transportation, lodging, food, or entertainment aggregating $250 or more in value received from any source other than a relative of the reporting individual during the preceding calendar year, except that any food, lodging, or entertainment received as personal hospitality of any individual need not be reported, and any gift with a fair market value of $35 or less need not be aggregated for purposes of this subparagraph.

(B) The identity of the source, a brief description, and the value of all gifts other than transportation, lodging, food, or entertainment aggregating $100 or more in value received from any source other than a relative of the reporting individual during the preceding calendar year, except that any gift with a fair market value of $35 or less need not be aggregated for purposes of this subparagraph. A gift need not be so aggregated if, in an unusual case, a publicly available request for a waiver is granted.

(C) The identity of the source and a brief description of reimbursements received from any source aggregating $250 or more in value and received during the preceding calendar year.

(3) The identity and category of value of any interest in property held during the preceding calendar year in a trade or business, or for investment or the production of income, which has a fair market value which exceeds $1,000 as of the close of the preceding calendar year, excluding any personal liability owed to the reporting individual by a relative or any deposits aggregating $5,000 or less in a personal savings account. For purposes of this paragraph, a personal savings account shall include any certificate of deposit or any other form of deposit in a bank, savings and loan association, credit union, or similar financial institution.

(4) The identity and category of value of the total liabilities owed to any creditor other than a relative which exceed $10,000 at any time during the preceding calendar year, excluding—

(A) any mortgage secured by real property which is a personal residence of the reporting individual or his spouse; and

(B) any loan secured by a personal motor vehicle, household furniture, or appliances, which loan does not exceed the purchase price of the item which secures it.

With respect to revolving charge accounts, only those with an outstanding liability which exceeds $10,000 as of the close of the preceding calendar year need be reported under this paragraph.

(5) Except as provided in this paragraph, a brief description, the date, and category of value of any purchase, sale, or exchange during the preceding calendar year which exceeds $1,000—

(A) in real property, other than property used solely as a personal residence of the reporting individual or his spouse; or

(B) in stocks, bonds, commodities futures, and other forms of securities.

Reporting is not required under this paragraph of any transaction solely by and between the reporting individual, his spouse, or dependent children.

(6)(A) The identity of all positions held on or before the date of filing during the current calendar year (and, for the first report filed by an individual, during the two-year period preceding such calendar year) as an officer, director, trustee, partner, proprietor, representative, employee, or consultant of any corporation, company, firm, partnership, or other business enterprise, any nonprofit organization, any labor organization, or any educational or other institution other than the United States. This subparagraph shall not require the reporting of positions held in any religious, social, fraternal, or political entity and positions solely of an honorary nature.

(B) If any person, other than the United States Government, paid a nonelected reporting individual compensation in excess of $5,000 in any of the two calendar years prior to the calendar year during which the individual files his first report under this title, the individual shall include in the report—

(i) the identity of each source of such compensation; and

(ii) a brief description of the nature of the duties performed or services rendered by the reporting individual for each such source.

The preceding sentence shall not require any individual to include in such report any information which is considered confidential as a result of a privileged relationship, established by law, between such individual and any person nor shall it require an individual to report any information with respect to any person for whom services were provided by any firm or association of which such individual was a member, partner, or employee unless such individual was directly involved in the provision of such services.

(7) A description of the date, parties to, and terms of any agreement or arrangement with respect to: (A) future employment; (B) a leave of absence during the period of the reporting individual's Government service; (C) continuation of payments by a former employer other than the United States Government; and (D) continuing participation in an employee welfare or benefit plan maintained by a former employer.

(b) Each report filed pursuant to subsections (a), (b), and (c) of section 201 shall include a full and complete statement with respect to the information required by paragraphs (3), (4), (6), and (7) of subsection (a), as of a date, specified in such report, which shall be not more than thirty-one days prior to the date of filing, and the informa-

tion required by paragraph (1) of subsection (a) for the year of filing and the preceding calendar year.

(c) In the case of any individual described in section 201(e), any reference to the preceding calendar year shall be considered also to include that part of the calendar year of filing up to the date of the termination of employment.

(d)(1) The categories for reporting the amount or value of the items covered in paragraphs (3), (4), and (5) of subsection (a) are as follows:

(A) not more than $5,000;
(B) greater than $5,000 but not more than $15,000;
(C) greater than $15,000 but not more than $50,000;
(D) greater than $50,000 but not more than $100,000;
(E) greater than $100,000 but not more than $250,000; and
(F) greater than $250,000.

(2) For the purposes of paragraph (3) of subsection (a) if the current value of an interest in real property (or an interest in a real estate partnership) is not ascertainable without an appraisal, an individual may list (A) the date of purchase and the purchase price of the interest in the real property, or (B) the assessed value of the real property for tax purposes, adjusted to reflect the market value of the property used for the assessment if the assessed value is computed at less than 100 percent of such market value, but such individual shall include in his report a full and complete description of the method used to determine such assessed value, instead of specifying a category of value pursuant to paragraph (1) of this subsection. If the current value of any other item required to be reported under paragraph (3) of subsection (a) is not ascertainable without an appraisal, such individual may list the book value of a corporation whose stock is not publicly traded, the net worth of a business partnership, the equity value of an individually owned business, or with respect to other holdings, any recognized indication of value, but such individual shall include in his report a full and complete description of the method used in determining such value. In lieu of any value referred to in the preceding sentence, an individual may list the assessed value of the item for tax purposes, adjusted to reflect the market value of the item used for the assessment if the assessed value is computed at less than 100 percent of such market value, but a full and complete description of the method used in determining such assessed value shall be included in the report.

(e)(1) Except as provided in the last sentence of this paragraph, each report required by subsection (a), (b), or (c) shall also contain information listed in paragraphs (1) through (5) of subsection (a) respecting the spouse or dependent child of the reporting individual as follows:

(A) The source of items of earned income earned by a spouse from any person which exceed $1,000 and, with respect to a spouse or dependent child, all information required to be reported in subsection (a)(1)(B) with respect to income derived from any asset held by the spouse or dependent child and reported pursuant to paragraph (3). With respect to earned income, if the spouse is self-employed in business or a profession, only the nature of such business or profession need be reported.

(B) In the case of any gift which is not received totally independent of the spouse's relationship to the reporting individual,

the identity of the source and a brief description of gifts of transportation, lodging, food, or entertainment or a brief description and the value of other gifts.

(C) In the case of any reimbursement which is not received totally independent of the spouse's relationship to the reporting individual, the identity of the source and a brief description of the reimbursement.

(D) In the case of items described in paragraphs (3) through (5), all information required to be reported under these paragraphs other than items (i) which the reporting individual certifies represent the spouse or dependent child's sole financial interest or responsibility and which the reporting individual has no knowledge of (ii) which are not in any way, past or present, derived from the income, assets, or activities of the reporting individual, and (iii) from which the reporting individual neither derives, nor expects to derive, any financial or economic benefit.

Each report referred to in subsection (b) of this section shall, with respect to the spouse and dependent child of the reporting individual, only contain information listed in paragraphs (1), (3), and (4) of subsection (a), as specified in this paragraph.

(2) No report shall be required with respect to a spouse living separate and apart from the reporting individual with the intention of terminating the marriage or providing for permanent separation; or with respect to any income or obligations of an individual arising from the dissolution of his marriage or the permanent separation from his spouse.

(f)(1) Except as provided in paragraph (2), each reporting individual shall report the information required to be reported pursuant to subsections (a), (b), and (c) of this section with respect to the holdings of and the income from a trust or other financial arrangement from which income is received by, or with respect to which a beneficial interest in principal or income is held by, such individual, his spouse, or any dependent child.

(2) A reporting individual need not report the holdings of or the source of income from any of the holdings of—

(A) any qualified blind trust (as defined in paragraph (3)); or

(B) a trust—

(i) which was not created directly by such individual, his spouse, or any dependent child, and

(ii) the holdings or sources of income of which such individual, his spouse, and any dependent child have no knowledge of,

but such individual shall report the category of the amount of income received by him, his spouse, or any dependent child from the trust under subsection (a)(1)(B) of this subsection.

(3) For purposes of this subsection, the term "qualified blind trust" includes any trust in which a reporting individual, his spouse, or any dependent child has a beneficial interest in the principal or income, and which meets the following requirements: "Qualified blind trust."

(A) The trustee of the trust is a financial institution, an attorney, a certified public accountant, or a broker, who (in the case of a financial institution or investment company, any officer or employee involved in the management or control of the trust who)—

(i) is independent of and unassociated with any interested party so that the trustee cannot be controlled or influenced in the administration of the trust by any interested party,

(ii) is or has not been an employee of any interested party, or any organization affiliated with any interested party and is not a partner of, or involved in any joint venture or other investment with, any interested party, and

(iii) is not a relative of any interested party.

(B) Any asset transferred to the trust by an interested party is free of any restriction with respect to its transfer or sale unless such restriction is expressly approved by the supervising ethics office of the reporting individual.

(C) The trust instrument which establishes the trust provides that—

(i) except to the extent provided in subparagraph (B) of this paragraph, the trustee in the exercise of his authority and discretion to manage and control the assets of the trust shall not consult or notify any interested party;

(ii) the trust shall not contain any asset the holding of which by an interested party is prohibited by any law or regulation;

(iii) the trustee shall promptly notify the reporting individual and his supervising ethics office when the holdings of any particular asset transferred to the trust by any interested party are disposed of or when the value of such holding is less than $1,000;

(iv) the trust tax return shall be prepared by the trustee or his designee, and such return and any information relating thereto (other than the trust income summarized in appropriate categories necessary to complete an interested party's tax return), shall not be disclosed to any interested party;

(v) an interested party shall not receive any report on the holdings and sources of income of the trust, except a report at the end of each calendar quarter with respect to the total cash value of the interest of the interested party in the trust or the net income or loss of the trust or any reports necessary to enable the interested party to complete an individual tax return required by law or to provide the information required by subsection (a)(1)(B) of this section, but such report shall not identify any asset or holding;

(vi) except for communications which solely consist of requests for distributions of cash or other unspecified assets of the trust, there shall be no direct or indirect communication between the trustee and an interested party with respect to the trust unless such communication is in writing and unless it relates only (I) to the general financial interest and needs of the interested party (including, but not limited to, an interest in maximizing income or long-term capital gain), (II) to the notification of the trustee of a law or regulation subsequently applicable to the reporting individual which prohibits the interested party from holding an asset, which notification directs that the asset not be held by the trust, or (III) to directions to the trustee to sell all of an asset initially placed in the trust by an interested party which in the determination of the reporting individual creates a conflict of interest or the

appearance thereof due to the subsequent assumption of duties by the reporting individual (but nothing herein shall require any such direction); and

(vii) the interested parties shall make no effort to obtain information with respect to the holdings of the trust, including obtaining a copy of any trust tax return filed or any information relating thereto except as otherwise provided in this subsection.

(D) The proposed trust instrument and the proposed trustee is approved by the reporting individual's supervising ethics office. For purposes of this subsection, "interested party" means a reporting individual, his spouse, and any dependent child if the reporting individual, his spouse, or dependent child has a beneficial interest in the principal or income of a qualified blind trust; "broker" has the meaning set forth in section 78 of title 15, United States Code; and "supervising ethics office" means the Office of Government Ethics. Definitions.

(4)(A) An asset placed in a trust by an interested party shall be considered a financial interest of the reporting individual, for the purposes of section 208 of title 18, United States Code, and any other conflict of interest statutes or regulations of the Federal Government, until such time as the reporting individual is notified by the trustee that such asset has been disposed of, or has a value of less than $1,000.

(B) The provisions of subparagraph (A) shall not apply with respect to a trust created for the benefit of a reporting individual appointed to office by the President, by and with the consent of the Senate, or the spouse, dependent child, or minor child of such a person, if—

(i) the Director of the Office of Government Ethics, in concurrence with the Attorney General, finds that—

(I) the assets placed in the trust consist of a well-diversified portfolio of readily marketable securities;

(II) none of the assets consist of securities of entities having substantial activities in the area of the reporting individual's primary area of responsibility;

(III) the trust instrument prohibits the trustee, notwithstanding the provisions of paragraphs (3)(C)(iii) and (iv) of this subsection, from making public or informing any interested party of the sale of any securities;

(IV) the trustee is given power of attorney, notwithstanding the provisions of paragraph (3)(C)(v) of this subsection, to prepare on behalf of any interested party the personal income tax returns and similar returns which may contain information relating to the trust; and

(V) except as otherwise provided in this paragraph, the trust instrument provides (or in the case of a trust established prior to the effective date of this Act which by its terms does not permit amendment, the trustee, the reporting individual, and any other interested party agree in writing) that the trust shall be administered in accordance with the requirements of this subsection and the trustee of such trust meets the requirements of paragraph (3)(A); and

(ii) the reporting individual (other than an individual who is in such an office at the time of enactment of this Act and has an existing trust which is a good faith attempt to create a blind trust)

has informed the Congressional committee considering his nomination at the time his financial disclosure statement is filed with the Committee of his intention to comply with this paragraph.

Copy, filing with ethics office.

(5)(A) The reporting individual shall, within thirty days after a qualified blind trust is approved by his supervising ethics office, file with such office a copy of—

(i) the executed trust instrument of such trust (other than those provisions which relate to the testamentary disposition of the trust assets), and

(ii) a list of the assets which were transferred to such trust, including the category of value of each asset as determined under subsection (d).

Notification.

(B) The reporting individual shall, within thirty days of transferring an asset (other than cash) to a previously established qualified blind trust, notify his supervising ethics office of the identity of each such asset and the category of value of each asset as determined under subsection (d).

Dissolution, notification and filing.

(C) Within thirty days of the dissolution of a qualified blind trust, a reporting individual shall—

(i) notify his supervising ethics office of such dissolution, and

(ii) file with such office a copy of a list of the assets of the trust at the time of such dissolution and the category of value under subsection (d) of this section of each such asset.

Public availability.

(D) Documents filed under subparagraphs (A), (B), and (C) of this paragraph and the lists provided by the trustee of assets placed in the trust by an interested party which have been sold shall be made available to the public in the same manner as a report is made available under section 205 and the provisions of that section shall apply.

Copy, filing.

(E) A copy of each written communication with respect to the trust under paragraph (3)(C)(vi) shall be filed by the person initiating the communication with the reporting individual's supervising ethics office within five days of the date of the communication.

(6)(A) A trustee of a qualified blind trust shall not knowingly or negligently (i) disclose any information to an interested party with respect to such trust that may not be disclosed under paragraph (3) of this subsection, (ii) acquire any holding the ownership of which is prohibited by the trust instrument; (iii) solicit advice from any interested party with respect to such trust, which solicitation is prohibited by paragraph (3) of this subsection or the trust agreement; or (iv) fail to file any document required by this subsection.

(B) A reporting individual shall not knowingly or negligently (i) solicit or receive any information with respect to a qualified blind trust of which he is an interested party that may not be disclosed under paragraph (3)(C) of this subsection or (ii) fail to file any document required by this subsection.

Civil action, penalty.

(C)(i) The Attorney General may bring a civil action in any appropriate United States District Court against any individual who knowingly and willfully violates the provisions of subparagraph (A) or (B) of this paragraph. The court in which such action is brought may assess against such individual a civil penalty in any amount not to exceed $5,000.

(ii) The Attorney General may bring a civil action in any appropriate United States District Court against any individual who negligently violates the provisions of subparagraph (A) or (B) of this paragraph. The court in which such action is brought may assess

against such individual a civil penalty in any amount not to exceed $1,000.

(7) Any trust which is in existence prior to the date of the enactment of this Act shall be considered a qualified blind trust if—

(A) the supervising ethics office determines that the trust was a good faith effort to establish a blind trust;

(B) the previous trust instrument is amended or, if such trust instrument does not by its terms permit amendment, all parties to the trust instrument, including the reporting individual and the trustee, agree in writing that the trust shall be administered in accordance with the requirements of paragraph (3)(C) and a trustee is (or has been) appointed who meets the requirements of paragraph (3); and

(C) a copy of the trust instrument (except testamentary provisions), a list of the assets previously transferred to the trust by an interested party and the category of value of each such asset at the time it was placed in the trust, and a list of assets previously placed in the trust by an interested party which have been sold is filed and made available to the public as provided under paragraph (5) of this subsection.

(g) Political campaign funds, including campaign receipts and expenditures, need not be included in any report filed pursuant to this title.

FILING OF REPORTS

SEC. 203. (a) Except as otherwise provided in this subsection, the reports required under this title shall be filed by the reporting individual with the designated agency official at the agency by which he is employed or in which he will serve. The date any report is received (and the date of receipt of any supplemental report) shall be noted on such report by such official. 5 USC app.

(b) The President and the Vice President shall file reports required under this title with the Director of the Office of Government Ethics.

(c) Copies of the reports required to be filed under this title by the Postmaster General, the Deputy Postmaster General, the Governors of the Board of Governors of the United States Postal Service, designated agency officials, candidates for the office of President or Vice President and officers and employees in (and nominees to) offices or positions which require confirmation by the Senate or by both Houses of Congress other than those referred to in subsection (f) shall be transmitted to the Director of the Office of Government Ethics. The Director shall forward a copy of the report of each nominee to the congressional committee considering the nomination.

(d) Reports required to be filed under this title by the Director shall be filed in the Office of Government Ethics and, immediately after being filed, shall be made available to the public in accordance with this title.

(e) Each individual identified in section 201(c) shall file the reports required by this title with the Federal Elections Commission.

(f) Reports required of members of the uniformed services shall be filed with the Secretary concerned.

(g) The Office of Government Ethics shall develop and make available forms for reporting the information required by this title.

FAILURE TO FILE OR FALSIFYING REPORTS

Civil actions and penalties.
5 USC app.

SEC. 204. (a) The Attorney General may bring a civil action in any appropriate United States District Court against any individual who knowingly and willfully falsifies or who knowingly or willfully fails to file or report any information that such individual is required to report pursuant to section 202. The court in which such action is brought may assess against such individual a civil penalty in any amount, not to exceed $5,000.

(b) The head of each agency, each Secretary concerned, or the Director of the Office of Government Ethics, as the case may be, shall refer to the Attorney General the name of any individual he has reasonable cause to believe has willfully failed to file a report or has willfully falsified or willfully failed to file information required to be reported.

(c) The President, the Vice President, the Secretary concerned, the head of each agency, and the Civil Service Commission, may take any appropriate personnel or other action in accordance with applicable law or regulation against any individual failing to file a report or falsifying or failing to report information required to be reported.

CUSTODY OF AND PUBLIC ACCESS TO REPORTS

5 USC app.

SEC. 205. (a) Each agency shall make each report filed with it under this title available to the public in accordance with the provisions of subsection (b) of this section, together with a copy of the official position description of the Government office or position held by the reporting individual involved (if available) which shall be added to such report by such individual's designated agency official or by the Secretary concerned, except that this section does not require public availability of the report filed by any individual in the Central Intelligence Agency, the Defense Intelligence Agency, or the National Security Agency, or any individual engaged in intelligence activities in any agency of the United States, if the President finds that, due to the nature of the office or position occupied by such individual, public disclosure of such report would, by revealing the identity of the individual or other sensitive information, compromise the national interest of the United States. In addition, such individuals may be authorized, notwithstanding section 204(a), to file such additional reports as are necessary to protect their identity from public disclosure if the President first finds that such filing is necessary in the national interest.

(b) Each agency shall, within fifteen days after any report is received by the agency under this title, permit inspection of such report by or furnish a copy of such report to any person requesting such inspection or copy. The agency may require a reasonable fee to be paid in any amount which is found necessary to recover the cost of reproduction or mailing of such report excluding any salary of any employee involved in such reproduction or mailing. A copy of such report may be furnished without charge or at a reduced charge if it is determined that waiver or reduction of the fee is in the public interest.

Unlawful use of reports.

(c)(1) It shall be unlawful for any person to obtain, or use a report—

(A) for any unlawful purpose;

(B) for any commercial purpose, other than by news and communications media for dissemination to the general public;

(C) for determining or establishing the credit rating of any individual; or

(D) for use, directly or indirectly, in the solicitation of money for any political, charitable, or other purpose.

(2) The Attorney General may bring a civil action against any person who obtains or uses a report for any purpose prohibited in paragraph (1) of this subsection. The court in which such action is brought may assess against such person a penalty in any amount not to exceed $5,000. Such remedy shall be in addition to any other remedy available under statutory or common law. Civil action.

(d) Any report filed with an agency, or transmitted to the Director of the Office of Government Ethics, pursuant to this title shall be retained by such agency or the Office of Government Ethics, or both, as the case may be. Such report shall be made available to the public for a period of six years after receipt of the report. After such six-year period the report shall be destroyed unless needed in an ongoing investigation, except that in the case of an individual who filed the report pursuant to section 201(b) and was not subsequently confirmed by the Senate, or who filed the report pursuant to section 201(c) and was not subsequently elected, such reports shall be destroyed one year after the individual either is no longer under consideration by the Senate or is no longer a candidate for nomination or election to the Office of President or Vice President unless needed in an ongoing investigation.

REVIEW OF REPORTS

SEC. 206. (a) Each designated agency official or Secretary concerned shall make provisions to ensure that each report filed with him under this title shall be reviewed within sixty days after the date of such filing, except that the Director of the Office of Government Ethics shall review only those reports transmitted to him under this title within sixty days after the date of transmittal. 5 USC app.

(b)(1) If after reviewing any report under subsection (a), the Director of the Office of Government Ethics, Secretary concerned, or designated agency official, as the case may be, is of the opinion that on the basis of information contained in such report the individual submitting such report is in compliance with applicable laws and regulations, he shall state such opinion on the report, and shall sign such report.

(2) If the Director of the Office of Government Ethics, Secretary concerned, or designated agency official, after reviewing any report under subsection (a)—

(A) believes additional information is required to be submitted, he shall notify the individual submitting such report what additional information is required and the time by which it must be submitted, or

(B) is of the opinion, on the basis of information submitted, that the individual is not in compliance with applicable laws and regulations, he shall notify the individual, afford him a reasonable opportunity for a written or oral response, and after consideration of such response, reach an opinion as to whether or not, on the basis of information submitted, the individual is in compliance with such laws and regulations.

(3) If the Director of the Office of Government Ethics, Secretary concerned, or designated agency official reaches an opinion under para-

graph (2)(B) that an individual is not in compliance with applicable laws and regulations, he shall notify the individual of that opinion and, after an opportunity for personal consultation (if practicable), determine and notify the individual of which steps, if any, would in his opinion be appropriate for assuring compliance with such laws and regulations and the date by which such steps should be taken. Such steps may include, as appropriate—

(A) divestiture,

(B) restitution,

(C) the establishment of a blind trust,

(D) request for an exemption under section 208 (b) of title 18, United States Code, or

(E) voluntary request for transfer, reassignment, limitation of duties, or resignation.

The use of any such steps shall be in accordance with such regulations as the Director of the Office of Government Ethics or a Secretary concerned, as the case may be, may prescribe.

(4) If steps for assuring compliance with applicable laws and regulations are not taken by the date set under paragraph (3) by an individual in a position (other than in the uniformed services), appointment to which requires the advice and consent of the Senate, the matter shall be referred to the President for appropriate action.

(5) If steps for assuring compliance with applicable laws and regulations are not taken by the date set under paragraph (3) by a member of the uniformed services, the Secretary concerned shall take appropriate action.

(6) If steps for assuring compliance with applicable laws and regulations are not taken by the date set under paragraph (3) by any other officer or employee the matter shall be referred to the head of the appropriate agency for appropriate action; except that in the case of the Postmaster General or Deputy Postmaster General, the Director of the Office of Government Ethics shall recommend to the Governors of the Board of Governors of the United States Postal Service the action to be taken.

(7) For purposes of assisting employees in avoiding situations in which they would not be in compliance with applicable laws and regulations, each Secretary concerned and designated agency official (including the President in the case of the individuals employed in the Executive Office of the President) shall maintain a list of those circumstances or situations which have resulted or may result in noncompliance with such laws or regulations. Such list shall be periodically published, and shall be furnished to those individuals employed within the agency who are required to file reports under this title. The absence of any situation or circumstance from such a list shall not be construed as an indication that an individual in such circumstance or situation would be in compliance with such laws or regulations.

(8) The preceding provisions of this subsection shall not apply in the case of the President or Vice President, or a candidate or nominee for such office.

ADDITIONAL REQUIREMENTS

Confidential reports.
5 USC app.

SEC. 207. (a) The President may require officers and employees in the executive branch (including the United States Postal Service and members of the uniformed services) not covered by this title to submit confidential reports in such form as is required by this title. Subsections

(a), (b), and (d) of section 205 shall not apply with respect to any such report.

(b) The Director of the Office of Government Ethics may by rule require disclosure in the reports filed pursuant to subsections (a) and (c) of section 202, of gifts received by a dependent child of a reporting individual if the information required to be disclosed does not exceed that which must be reported by a spouse of a reporting individual under this title.

(c) The provisions of this title requiring the reporting of information shall supersede any general requirement under any other provision of law or regulation with respect to the reporting of information required for purposes of preventing conflicts of interest or apparent conflicts of interest. Such provisions of this title shall not supersede the requirements of section 7342 of title 5, United States Code.

(d) Nothing in this Act requiring reporting of information shall be deemed to authorize the receipt of income, gifts, or reimbursements; the holding of assets, liabilities, or positions; or the participation in transactions that are prohibited by law, Executive order, or regulation.

AUTHORITY OF COMPTROLLER GENERAL

SEC. 208. The Comptroller General shall have access to financial disclosure reports filed under this title for the purposes of carrying out his statutory responsibilities. 5 USC app.

DEFINITIONS

SEC. 209. For the purposes of this title, the term— 5 USC app.

(1) "income" means all income from whatever source derived, including but not limited to the following items: compensation for services, including fees, commissions, and similar items; net and gross income derived from business; gains derived from dealings in property; interest; rents; royalties; dividends; annuities; income from life insurance and endowment contracts; pensions; income from discharge of indebtedness; distributive share of partnership income; and income from an interest in an estate or trust;

(2) "relative" means an individual who is related to the reporting individual, as father, mother, son, daughter, brother, sister, uncle, aunt, great aunt, great uncle, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson granddaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, or who is the grandfather or grandmother of the spouse of the reporting individual, and shall be deemed to include the fiance or fiancee of the reporting individual;

(3) "gift" means a payment, advance, forbearance, rendering, or deposit of money, or any thing of value, unless consideration of equal or greater value is received by the donor, but does not include—

(A) bequest and other forms of inheritance;

(B) suitable mementos of a function honoring the reporting individual;

(C) food, lodging, transportation, and entertainment provided by a foreign government within a foreign country or by the United States Government;

(D) food and beverages consumed at banquets, receptions, or similar events; or

(E) communications to the offices of a reporting individual including subscriptions to newspapers and periodicals;

(4) "honoraria" has the meaning given such term in the Federal Election Campaign Act of 1971. 2 USC 431 note.

(5) "value" means a good faith estimate of the dollar value if the exact value is neither known nor easily obtainable by the reporting individual;

(6) "personal hospitality of any individual" means hospitality extended for a nonbusiness purpose by an individual, not a corporation or organization, at the personal residence of that individual or his family or on property or facilities owned by that individual or his family;

(7) "dependent child" means, when used with respect to any reporting individual, any individual who is a son, daughter, stepson, or stepdaughter and who—

(A) is unmarried and under age 21 and is living in the household of such reporting individual; or

(B) is a dependent of such reporting individual within the meaning of section 152 of the Internal Revenue Code of 1954; 26 USC 152.

(8) "reimbursement" means any payment or other thing of value received by the reporting individual, other than gifts, to cover travel-related expenses of such individual other than those which are—

(A) provided by the United States Government;

(B) required to be reported by the reporting individual under section 7342 of title 5, United States Code; or

(C) required to be reported under section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434);

(9) "Secretary concerned" has the meaning set forth in section 101(8) of title 10, United States Code, and, in addition, means—

(A) the Secretary of Commerce, with respect to matters concerning the National Oceanic and Atmospheric Administration; and

(B) the Secretary of Health, Education, and Welfare, with respect to matters concerning the Public Health Service; and

(10) "designated agency official" means an officer or employee who is designated to administer the provisions of this title within an agency.

OUTSIDE EARNED INCOME

SEC. 210. Except where the employee's agency or department shall have more restrictive limitations on outside earned income, all employees covered by this title who are compensated at a pay grade in the General Schedule of grade 16 or above and who occupy nonjudicial full-time positions appointment to which is required to be made by the President, by and with the advice and consent of the Senate, may not have in any calendar year outside earned income attributable to such calendar year which is in excess of 15 percent of their salary. 5 USC app. 5 USC 5332 note.

EFFECTIVE DATE

SEC. 211. The provisions made by this title shall take effect on January 1, 1979, and the reports filed under section 201(d) on May 15, 1979, shall include information for calendar year 1978. 5 USC app.

TITLE III—JUDICIAL PERSONNEL FINANCIAL DISCLOSURE REQUIREMENTS

PERSONS REQUIRED TO FILE

SEC. 301. (a) Within thirty days of assuming the position of a judicial employee, an individual shall file a report containing the information described in section 302(b). 28 USC app.

(b) Within five days of the transmittal by the President to the Senate of the nomination of an individual to be a judicial officer, such individual shall file a report containing the information described in section 302(b). Nothing in this Act shall prevent any Congressional committee from requesting, as a condition of confirmation, any additional financial information from any Presidential nominee whose nomination has been referred to that committee.

(c) Any individual who is a judicial officer or employee during any calendar year and performs the duties of his position or office for a period in excess of sixty days in that calendar year shall file on or before May 15 of the succeeding year a report containing the information described in section 302(a).

(d) Any individual who occupies a position as a judicial officer or employee shall on or before the thirtieth day after termination of employment in such position, file a report containing the information described in section 302(a) covering the preceding calendar year if the report required by subsection (c) of this subsection has not been filed and covering the portion of that calendar year up to the date the individual left such office or position, unless such individual has accepted employment in another position as a judicial officer or employee.

(e) Reasonable extensions of time for filing any report may be granted under procedures prescribed by the Judicial Ethics Committee established pursuant to section 303(a) of this title (hereinafter in this title referred to as the "Committee"), but the total of such extensions shall not exceed ninety days.

CONTENTS OF REPORTS

SEC. 302. (a) Each report filed pursuant to section 301(c) shall include a full and complete statement with respect to the following: 28 USC app.

(1)(A) The source, type, and amount or value of income (other than income referred to in subparagraph (B)) from any source (other than from current employment by the United States Government), and the source, date, and amount of honoraria from any source, received during the preceding calendar year, aggregating $100 or more in value.

(B) The source and type of income which consists of dividends, rent, interest, and capital gains received during the preceding calendar year which exceeds $100 in amount or value, and an indication of which of the following categories the amount or value of such item of income is within—

(i) not more than $1,000,

(ii) greater than $1,000 but not more than $2,500,

(iii) greater than $2,500 but not more than $5,000,

(iv) greater than $5,000 but not more than $15,000,

(v) greater than $15,000 but not more than $50,000,

(vi) greater than $50,000 but not more than $100,000, or
(vii) greater than $100,000.

(2)(A) The identity of the source and a brief description of any gifts of transportation, lodging, food, or entertainment aggregating $250 or more in value received from any source other than a relative of the reporting individual during the preceding calendar year, except that any food, lodging, or entertainment received as personal hospitality of any individual need not be reported, and any gift with a fair market value of $35 or less need not be aggregated for purposes of this subparagraph.

(B) The identity of the source, a brief description, and the value of all gifts other than transportation, lodging, food, or entertainment aggregating $100 or more in value received from any source other than a relative of the reporting individual during the preceding calendar year, except that any gift with a fair market value of $35 or less need not be aggregated for purposes of this subparagraph. A gift need not be so aggregated if, in an unusual case, a publicly available request for a waiver is granted.

(C) The identity of the source and a brief description of reimbursements received from any source aggregating $250 or more in value and received during the preceding calendar year.

(3) The identity and category of value of any interest in property held during the preceding calendar year in a trade or business, or for investment or the production of income, which has a fair market value which exceeds $1,000 as of the close of the preceding calendar year, excluding any personal liability owed to the reporting individual by a relative or any deposits aggregating $5,000 or less in a personal savings account. For purposes of this paragraph, a personal savings account shall include any certificate of deposit or any other form of deposit in a bank, savings and loan association, credit union, or similar financial institution.

(4) The identity and category of value of the total liabilities owed to any creditor other than a relative which exceed $10,000 at any time during the preceding calendar year, excluding—

(A) any mortgage secured by real property which is a personal residence of the reporting individual or his spouse; and

(B) any loan secured by a personal motor vehicle, household furniture, or appliances, which loan does not exceed the purchase price of the item which secures it.

With respect to revolving charge accounts, only those with an outstanding liability which exceeds $10,000 as of the close of the preceding calendar year need be reported under this paragraph.

(5) Except as provided in this paragraph, a brief description, the date, and category of value of any purchase, sale, or exchange during the preceding calendar year which exceeds $1,000—

(A) in real property, other than property used solely as a personal residence of the reporting individual or his spouse; or

(B) in stocks, bonds, commodities futures, and other forms of securities.

Reporting is not required under this paragraph of any transactions solely by and between the reporting individual, his spouse, or dependent children.

(6) The identity of all positions held on or before the date of filing during the current calendar year as an officer, director, trustee, part-

ner, proprietor, representative, employee, or consultant of any corporation, company, firm, partnership, or other business enterprise, any nonprofit organization, any labor organization, or any educational or other institution other than the United States. This paragraph shall not require the reporting of positions held in any religious, social, fraternal, or political entity and positions solely of an honorary nature.

(7) A description of the date, parties to, and terms of any agreement or arrangement with respect to: (A) future employment; (B) a leave of absence during the period of the reporting individual's Government service; (C) continuation of payments by a former employer other than the United States Government; and (D) continuing participation in an employee welfare or benefit plan maintained by a former employer.

(b) Each report filed pursuant to subsections (a) and (b) of section 301 shall include a full and complete statement with respect to the information required by paragraphs (3), (4), (6), and (7) of subsection (a), as of a date, specified in such report, which shall be not more than thirty-one days prior to the date of filing, and the information required by paragraph (1) of subsection (a) for the year of filing and the preceding calendar year.

(c) In the case of any individual described in section 301(d) of this title, any reference to the preceding calendar year shall be considered also to include that part of the calendar year of filing up to the date of the termination of employment.

(d)(1) The categories for reporting the amount or value of the items covered in paragraphs (3), (4), and (5) of subsection (a) are as follows:

(A) not more than $5,000;
(B) greater than $5,000 but not more than $15,000;
(C) greater than $15,000 but not more than $50,000;
(D) greater than $50,000 but not more than $100,000;
(E) greater than $100,000 but not more than $250,000; and
(F) greater than $250,000.

(2) For the purposes of paragraph (3) of subsection (a) if the current value of an interest in real property (or an interest in a real estate partnership) is not ascertainable without an appraisal, an individual may list (A) the date of purchase and the purchase price of the interest in the real property, or (B) the assessed value of the real property for tax purposes, adjusted to reflect the market value of the property used for the assessment if the assessed value is computed at less than 100 percent of such market value, but such individual shall include in his report a full and complete description of the method used to determine such assessed value, instead of specifying a category of value pursuant to paragraph (1) of this subsection. If the current value of any other item required to be reported under paragraph (3) of subsection (a) is not ascertainable without an appraisal, such individual may list the book value of a corporation whose stock is not publicly traded, the net worth of a business partnership, the equity value of an individually owned business, or with respect to other holdings, any recognized indication of value, but such individual shall include in his report a full and complete description of the method used in determining such value. In lieu of any value referred to in the preceding sentence, an individual may list the assessed value of the item for tax purposes, adjusted to reflect the market value of

the item used for the assessment if the assessed value is computed at less than 100 percent of such market value, but a full and complete description of the method used in determining such assessed value shall be included in the report.

(e)(1) Except as provided in the last sentence of this paragraph, each report required by subsection (a), (b), or (c) shall also contain information listed in paragraphs (1) through (5) of subsection (a) respecting the spouse or dependent child of the reporting individual as follows:

(A) The source of items of earned income earned by a spouse from any person which exceed $1,000 and, with respect to his spouse or dependent child, all information required to be reported in subsection (a)(1)(B) with respect to income derived from any asset held by the spouse or dependent child and reported pursuant to paragraph (3). With respect to earned income, if the spouse is self-employed in business or a profession, only the nature of such business or profession need be reported.

(B) In the case of any gift which is not received totally independent of the spouse's relationship to the reporting individual, the identity of the source and a brief description of gifts of transportation, lodging, food, or entertainment or the value of other gifts.

(C) In the case of any reimbursement which is not received totally independent of the spouse's relationship to the reporting individual, the identity of the source and a brief description of the reimbursement.

(D) In the case of items described in paragraphs (3) through (5), all information required to be reported under these paragraphs other than items (i) which the reporting individual certifies represent the spouse or dependent child's sole financial interest or responsibility and which the reporting individual has no knowledge of (ii) which are not in any way, past or present, derived from the income, assets, or activities of the reporting individual, and (iii) from which the reporting individual neither derives, nor expects to derive, any financial or economic benefit.

Each report referred to in subsection (b) of this section shall, with respect to the spouse and dependent child of the reporting individual, only contain information listed in paragraphs (1), (3), and (4) of subsection (a), as specified in this paragraph.

(2) No report shall be required with respect to a spouse living separate and apart from the reporting individual with the intention of terminating the marriage or providing for permanent separation; or with respect to any income or obligations of an individual arising from the dissolution of his marriage or the permanent separation from his spouse.

(f)(1) Except as provided in paragraph (2), each reporting individual shall report the information required to be reported pursuant to subsections (a), (b), and (c) of this subsection with respect to the holdings of and the income from a trust or other financial arrangement from which income is received by, or with respect to which a beneficial interest in principal or income is held by, such individual, his spouse, or any dependent child.

(2) A reporting individual other than a judicial officer of the United States need not report the holdings of or the source of income from any of the holdings of—

(A) any qualified blind trust (as defined in paragraph (3)); or

(B) a trust—

(i) which was not created directly by such individual, his spouse, or any dependent child, and

(ii) the holding or sources of income of which such individual, his spouse, and any dependent child have no knowledge of,

but such individual shall report the category of the amount of income received by him, his spouse, or any dependent child from the trust under subsection (a)(1)(B) of this section.

"Qualified blind trust."

(3) For purposes of this subsection, the term "qualified blind trust" includes any trust in which a reporting individual, his spouse, or any dependent child has a beneficial interest in the principal or income, and which meets the following requirements:

(A) The trustee of the trust is a financial institution, an attorney, a certified public accountant, or a broker, who (in the case of a financial institution or investment company, any officer or employee involved in the management or control of the trust who)—

(i) is independent of and unassociated with any interested party so that the trustee cannot be controlled or influenced in the administration of the trust by any interested party,

(ii) is or has not been an employee of any interested party, or any organization affiliated with any interested party and is not a partner of, or involved in any joint venture or other investment with, any interested party, and

(iii) is not a relative of any interested party.

(B) Any asset transferred to the trust by an interested party is free of any restriction with respect to its transfer or sale unless such restriction is expressly approved by the supervising ethics office of the reporting individual.

Trust instrument.

(C) The trust instrument which establishes the trust provides that—

(i) except to the extent provided in subparagraph (B) of this paragraph, the trustee in the exercise of his authority and discretion to manage and control the assets of the trust shall not consult or notify any interested party;

(ii) the trust shall not contain any asset the holding of which by an interested party is prohibited by any law or regulation;

Notification.

(iii) the trustee shall promptly notify the reporting individual and his supervising ethics office when the holdings of any particular asset transferred to the trust by any interested party are disposed of or when the value of such holding is less than $1,000;

(iv) the trust tax return shall be prepared by the trustee or his designee, and such return and any information relating thereto (other than the trust income summarized in appropriate categories necessary to complete an interested party's tax return), shall not be disclosed to any interested party;

(v) an interested party shall not receive any report on the holdings and sources of income of the trust, except a report at the end of each calendar quarter with respect to the total cash value of the interest of the interested party in the trust or the net income or loss of the trust or any reports necessary to enable the interested party to complete an individual tax

return required by law or to provide the information required by subsection (a)(1)(B) of this section, but such report shall not identify any asset or holding;

(vi) except for communications which solely consist of requests for distributions of cash or other unspecified assets of the trust, there shall be no direct or indirect communication between the trustee and an interested party with respect to the trust unless such communication is in writing and unless it relates only (I) to the general financial interest and needs of the interested party (including, but not limited to, an interest in maximizing income or long-term capital gain), (II) to the notification of the trustee of a law or regulation subsequently applicable to the reporting individual which prohibits the interested party from holding an asset, which notification directs that the asset not be held by the trust, or (III) to directions to the trustee to sell all of an asset initially placed in the trust by an interested party which in the determination of the reporting individual creates a conflict of interest or the appearance thereof due to the subsequent assumption of duties by the reporting individual (but nothing herein shall require any such direction); and

(vii) the interested parties shall make no effort to obtain information with respect to the holdings of the trust, including obtaining a copy of any trust tax return filed or any information relating thereto except as otherwise provided in this subsection.

(D) The proposed trust instrument and the proposed trustee is approved by the reporting individual's supervising ethics office. For purposes of this subsection "interested party" means a reporting individual, his spouse, and any dependent child if the reporting individual, his spouse, or dependent child has a beneficial interest in the principal or income of a qualified blind trust; "broker" has the meaning set forth in section 78 of title 15, United States Code; and "supervising ethics office" means the Judicial Ethics Committee.

"Interested party."

(4) An asset placed in a trust by an interested party shall be considered a financial interest of the reporting individual, for the purpose of section 208 of title 28, United States Code, and any other conflict of interest statutes or regulations of the Federal Government, until such time as the reporting individual is notified by the trustee that such asset has been disposed of, or has a value of less than $1,000.

(5)(A) The reporting individual shall, within thirty days after a qualified blind trust is approved by his supervising ethics office, file with such office a copy of—

(i) the executed trust instrument of such trust (other than those provisions which relate to the testamentary disposition of the trust assets), and

(ii) a list of the assets which were transferred to such trust, including the category of value of each asset as determined under subsection (d).

Notification.

(B) The reporting individual shall, within thirty days of transferring an asset (other than cash) to a previously established qualified blind trust, notify his supervising ethics office of the identity of each such asset and the category of value of each asset as determined under subsection (d).

(C) Within thirty days of the dissolution of a qualified blind trust, a reporting individual shall—

(i) notify his supervising ethics office of such dissolution, and

(ii) file with such office a copy of a list of the assets of the trust at the time of such dissolution and the category of value under subsection (d) of this section of each such asset.

(D) Documents filed under subparagraphs (A), (B), and (C) of this paragraph and the lists provided by the trustee of assets placed in the trust by an interested party which have been sold shall be made available to the public in the same manner as a report is made available under section 305 and the provisions of that section shall apply.

(E) A copy of each written communication with respect to the trust under paragraph (3)(C)(vi) shall be filed by the person initiating the communication with the reporting individual's supervising ethics office within five days of the date of the communication.

(6)(A) A trustee of a qualified blind trust shall not knowingly or negligently (i) disclose any information to an interested party with respect to such trust that may not be disclosed under paragraph (3) of this subsection; (ii) acquire any holding the ownership of which is prohibited by the trust instrument; (iii) solicit advice from any interested party with respect to such trust, which solicitation is prohibited by paragraph (3) of this subsection or the trust agreement; or (vi) fail to file any document required by this subsection.

(B) A reporting individual shall not knowingly or negligently (i) solicit or receive any information with respect to a qualified blind trust of which he is an interested party that may not be disclosed under paragraph (3)(C), of this subsection or (ii) fail to file any document required by this subsection.

(C)(i) The Attorney General may bring a civil action in any appropriate United States District Court against any individual who knowingly and willfully violates the provisions of subparagraph (A) or (B) of this paragraph. The court in which such action is brought may assess against such individual a civil penalty in any amount not to exceed $5,000. Civil action. Penalty.

(ii) The Attorney General may bring a civil action in any appropriate United States District Court against any individual who negligently violates the provisions of subparagraph (A) or (B) of this paragraph. The court in which such action is brought may assess against such individual a civil penalty in any amount not to exceed $1,000.

(7) Any trust which is in existence prior to the date of the enactment of this Act shall be considered a qualified blind trust if—

(A) the supervising ethics office determines that the trust was a good faith effort to establish a blind trust;

(B) the previous trust instrument is amended or, if such trust instrument does not by its terms permit amendment, all parties to the trust instrument, including the reporting individual and the trustee, agree in writing that the trust shall be administered in accordance with the requirements of paragraph (3)(C) and a trustee is (or has been) appointed who meets the requirements of paragraph (3); and

(C) a copy of the trust instrument (except testamentary provisions), a list of the assets previously transferred to the trust by an interested party and the category of value of each such asset at the time it was placed in the trust, and a list of assets previously placed in the trust by an interested party which

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have been sold is filed and made available to the public as provided under paragraph (5) of this subsection.

(g) Political campaign funds, including campaign receipts and expenditures, need not be included in any report filed pursuant to this title.

FILING OF REPORTS

Judicial Ethics Committee.
28 USC app.

SEC. 303. (a) The Judicial Conference of the United States shall establish a Judicial Ethics Committee which shall be responsible for developing the forms for reporting the information required by this title and for receiving and making available, in accordance with the provisions of this title, the reports described in section 301.

(b) Each judicial officer and judicial employee shall file the report required by this title with the Committee and shall file a copy of such report as a public document with the clerk of the court on which he sits or serves.

(c) In the performance of its functions under this title, the Committee, with the approval of the Judicial Conference of the United States, shall—

(1) develop the necessary forms and promulgate such rules and regulations as may be necessary;

(2) monitor and investigate compliance with the requirements of this title;

(3) provide for the availability of reports as required by section 305;

(4) conduct, or cause to be conducted, the reviews required by section 306;

(5) cooperate with the Attorney General in enforcing the requirements of this title;

Legislative recommendations to Congress and the President.

(6) submit to the Congress and the President recommendations for legislative revision of this title;

(7) perform such other functions as may be assigned by the Judicial Conference of the United States.

Regulation.

(d) The Committee shall, within one hundred and twenty days after the date of enactment of this Act, develop and, with the approval of the Judicial Conference of the United States, promulgate a regulation establishing a method or methods for readily determining, without the necessity for expert appraisal, the fair market value of assets required to be disclosed by this title.

FAILURE TO FILE OR FALSIFYING REPORTS

Civil action.
28 USC app.

SEC. 304. (a) The Attorney General may bring a civil action in any appropriate United States District Court against any individual who knowingly and willfully falsifies or who knowingly or willfully fails to file or report any information that such individual is required to report pursuant to section 302. The court in which such action is brought may assess against such individual a civil penalty in any amount not to exceed $5,000.

(b) The Committee shall refer to the Attorney General the name of any individual the Committee has reasonable cause to believe has willfully failed to file a report or has willfully falsified or failed to file information required to be reported.

CUSTODY OF AND PUBLIC ACCESS TO REPORTS

SEC. 305. (a) The Committee shall make each report filed with it under this title available to the public in accordance with subsection (b) of this section. 28 USC app.

(b) The Committee shall, within fifteen days after any report is received by the Committee under this title, permit inspection by or furnish a copy of such report to any person requesting such inspection or copy. The Committee may require the requesting person to pay a reasonable fee in any amount which is found necessary to recover the cost of reproduction or mailing of such report excluding any salary of any employee involved in such reproduction or mailing. A copy of such report may be furnished without charge or at a reduced charge if it is determined that waiver or reduction of the fee is in the public interest. Inspection or copies of reports. Fees.

(c)(1) It shall be unlawful for any person to obtain or use a report— Unlawful uses of reports.

(A) for any unlawful purpose;

(B) for any commercial purpose other than by news and communications media for dissemination to the general public;

(C) for determining or establishing the credit rating of any individual; or

(D) for use, directly or indirectly, in the solicitation of money for any political, charitable, or other purpose.

(2) The Attorney General may bring a civil action against any person who obtains or uses a report for any purpose prohibited in paragraph (1). The court in which such action is brought may assess against such person a penalty in any amount not to exceed $5,000. Such remedy shall be in addition to any other remedy available under statutory or common law. Civil action. Penalty.

(d) Any report received by the Committee shall be held in its custody and be made available to the public for a period of six years after receipt of the report. After such six-year period the report shall be destroyed unless needed in an ongoing investigation, except that in the case of an individual who filed the report pursuant to section 301(b) and was not subsequently confirmed by the Senate, such reports shall be destroyed one year after the individual is no longer under consideration by the Senate unless needed in an ongoing investigation.

COMPLIANCE PROCEDURES

SEC. 306. (a) The Committee shall establish procedures for the review of reports filed with it under this title to determine whether the reports are filed in a timely manner, are complete, and are in proper form. In the event a determination is made that a report is not so filed, the Committee shall so inform the reporting individual and direct him to take all necessary corrective action. Reviews. 28 USC app.

(b) Such procedures shall include provisions for conducting a review each year of financial statements filed in that year by judicial officers and employees to determine whether such statements reveal possible violations of applicable conflict of interest laws or regulations and recommending appropriate action to correct any conflict of interest or ethical problems revealed by such review.

ADDITIONAL REQUIREMENTS

28 USC app.

SEC. 307. (a) Nothing in this title shall be construed to prevent the Committee, with the approval of the Judicial Conference of the United States, from requiring officers or employees of the judicial branch not covered by this title to submit confidential financial statements.

(b) The Committee, with the approval of the Judicial Conference, may require disclosure, in the reports filed pursuant to subsections (a) and (c) of section 302, of gifts received by a dependent child of a reporting individual if the information required to be disclosed does not exceed that which must be reported by a spouse of a reporting individual under this title.

(c) Nothing in this Act requiring reporting of information shall be deemed to authorize the receipt of income, gifts, or reimbursements; the holding of assets, liabilities, or positions; or the participation in transactions that are prohibited by law or regulation.

(d) The provisions of this title requiring the reporting of information shall not supersede the requirements of section 7342 of title 5, United States Code.

DEFINITIONS

28 USC app.

SEC. 308. For the purposes of this title, the term—

(1) "income" means all income from whatever source derived, including but not limited to the following items: compensation for services, including fees, commissions, and similar items; net and gross income derived from business; gains derived from dealings in property; interest; rents; royalties; dividends; annuities; income from life insurance and endowment contracts; pensions; income from discharge of indebtedness; distributive share of partnership income; and income from an interest in an estate or trust;

(2) "relative" means an individual who is related to the reporting individual, as father, mother, son, daughter, brother, sister, uncle, aunt, great aunt, great uncle, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, or who is the grandfather or grandmother of the spouse of the reporting individual, and shall be deemed to include the fiance or fiancee of the reporting individual;

(3) "gift" means a payment, advance, forebearance, rendering, or deposit of money, or any thing of value, unless consideration of equal or greater value is received by the donor, but does not include—

(A) bequest and other forms of inheritance;

(B) suitable mementos of a function honoring the reporting individual;

(C) food, lodging, transportation, and entertainment provided by a foreign government within a foreign country or by the United States Government;

(D) food and beverages consumed at banquets, receptions, or similar events; or

(E) communications to the offices of a reporting individual including subscriptions to newspapers and periodicals;

(4) "honoraria" has the meaning given such term in the Federal Election Campaign Act of 1971. 2 USC 431.

(5) "value" means a good faith estimate of the dollar value if the exact value is neither known nor easily obtainable by the reporting individual;

(6) "personal hospitality of any individual" means hospitality extended for a nonbusiness purpose by an individual, not a corporation or organization, at the personal residence of that individual or his family or on property or facilities owned by that individual or his family;

(7) "dependent child" means, when used with respect to any reporting individual, any individual who is a son, daughter, stepson, or stepdaughter and who—

(A) is unmarried and under age 21 and is living in the household of such reporting individual; or

(B) is a dependent of such reporting individual within the meaning of section 152 of the Internal Revenue Code of 1954;

(8) "reimbursement" means any payment or other thing of value received by the reporting individual, other than gifts, to cover travel-related expenses of such individual other than those which are—

(A) provided by the United States Government;

(B) required to be reported by the reporting individual under section 7342 of title 5; United States Code; or

(C) required to be reported under section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434);

(9) "judicial officer" means the Chief Justice of the United States, the Associate Justices of the Supreme Court, and the judges of the United States courts of appeals; United States district courts, including the district courts in the Canal Zone, Guam, and the Virgin Islands; Court of Claims; Court of Customs and Patent Appeals; Customs Court; courts of the District of Columbia and any court created by Act of Congress, the judges of which are entitled to hold office during good behavior; and

(10) "judicial employee" means any employee of the judicial branch of the Government who is not a judicial officer and who is authorized to perform adjudicatory functions with respect to proceedings in the judicial branch, or who receives compensation at a rate at or in excess of the minimum rate prescribed for grade 16 of the General Schedule under section 5332 of title 5, United States Code.

EFFECTIVE DATE

SEC. 309. This title shall take effect on January 1, 1979, and the reports filed under section 301(c) on May 15, 1979, shall include information for calendar year 1978. 28 USC app.

TITLE IV—OFFICE OF GOVERNMENT ETHICS

OFFICE OF GOVERNMENT ETHICS

Establishment.
5 USC app.

SEC. 401. (a) There is established in the Office of Personnel Management an office to be known as the Office of Government Ethics.

(b) There shall be at the head of the Office of Government Ethics a Director (hereinafter referred to as the "Director"), who shall be appointed by the President, by and with the advice and consent of the Senate.

AUTHORITY AND FUNCTIONS

5 USC app.

SEC. 402. (a) The Director shall provide, under the general supervision of the Office of Personnel Management, overall direction of executive branch policies related to preventing conflicts of interest on the part of officers and employees of any executive agency, as defined in section 105 of title 5, United States Code.

(b) The responsibilities of the Director shall include—

Rules and regulations.

(1) developing and recommending to the Office of Personnel Management, in consulation with the Attorney General, rules and regulations, to be promulgated by the President, or the Office of Personnel Management pertaining to conflicts of interest and ethics in the executive branch, including rules and regulations establishing procedures for the filing, review, and public availability of financial statements filed by officers and employees in the executive branch as required by title II of this Act;

Ante, p. 1836.

Rules and regulations.

(2) developing and recommending to the Office of Personnel Management, in consultation with the Attorney General, rules and regulations to be promulgated by the President or the Office of Personnel Management pertaining to the identification and resolution of conflicts of interest;

(3) monitoring and investigating compliance with the public financial disclosure requirements of title II of this Act by officers and employees of the executive branch and executive agency officials responsible for receiving, reviewing, and making available financial statements filed pursuant to such title;

(4) conducting a review of financial statements to determine whether such statements reveal possible violations of applicable conflict of interest laws or regulations and recommending appropriate action to correct any conflict of interest or ethical problems revealed by such review;

(5) monitoring and investigating individual and agency compliance with any additional financial reporting and internal review requirements established by law for the executive branch;

Rules and regulations, interpretation.

(6) interpreting rules and regulations issued by the President or the Office of Personnel Management governing conflict of interest and ethical problems and the filing of financial statements;

(7) consulting, when requested, with agency ethics counselors and other responsible officials regarding the resolution of conflict of interest problems in individual cases;

Advisory opinion service.

(8) establishing a formal advisory opinion service whereby advisory opinions are rendered on matters of general applicability or on important matters of first impression after, to the extent practicable, providing interested parties with an opportunity to transmit written comments with respect to the request for such advisory opinion, and whereby such advisory opinions are com-

piled, published, and made available to agency ethics counselors and the public;

(9) ordering corrective action on the part of agencies and employees which the Director deems necessary;

(10) requiring such reports from executive agencies as the Director deems necessary;

(11) assisting the Attorney General in evaluating the effectiveness of the conflict of interest laws and in recommending appropriate amendments;

(12) evaluating, with the assistance of the Attorney General, the need for changes in rules and regulations issued by the Office of Personnel Management and the agencies regarding conflict of interest and ethical problems, with a view toward making such rules and regulations consistent with and an effective supplement to the conflict of interest laws;

(13) cooperating with the Attorney General in developing an effective system for reporting allegations of violations of the conflict of interest laws to the Attorney General, as required by section 535 of title 28, United States Code; and

(14) providing information on and promoting understanding of ethical standards in executive agencies.

(c) In the development of policies, rules, regulations, procedures, and forms to be recommended, authorized, or prescribed by him, the Director shall consult when appropriate with the executive agencies affected and with the Attorney General.

(d) Pursuant to the Director's responsibilities under subsection (b)(1), the Director shall, within one hundred and twenty days after the date of enactment of this Act, develop and recommend to the Office of Personnel Management, and the Office of Personnel Management shall promulgate a regulation establishing a method for readily determining, without the necessity for expert appraisal, the fair market value of assets required to be disclosed by this title. Regulation.

ADMINISTRATIVE PROVISIONS

SEC. 403. Upon the request of the Director, each executive agency is directed to— 5 USC app.

(1) make its services, personnel, and facilities available to the Director to the greatest practicable extent for the performance of functions under this Act; and

(2) except when prohibited by law, furnish to the Director all information and records in its possession which the Director may determine to be necessary for the performance of his duties.

SEC. 404. In promulgating rules and regulations pertaining to financial disclosure, conflict of interest, and ethics in the executive branch, the Office of Personnel Management shall issue rules and regulations in accordance with chapter 5 of title 5, United States Code. Any person may seek judicial review of any such rule or regulation. Rules and regulations. 5 USC app. 5 USC 500 *et seq.*

AUTHORIZATION OF APPROPRIATIONS

SEC. 405. There are authorized to be appropriated to carry out the provisions of this title, and for no other purpose— 5 USC app.

(1) not to exceed $2,000,000 for the fiscal year ending September 30, 1979; and

(2) not to exceed $2,000,000 for each of the four fiscal years thereafter.

ANNUAL PAY

SEC. 406. Section 5316 of title 5, United States Code, is amended by adding at the end the following new paragraph:

"(146) Director of the Office of Government Ethics.".

TITLE V—POST EMPLOYMENT CONFLICT OF INTEREST

SEC. 501. (a) Section 207 of title 18, United States Code, is amended to read as follows:

"§ 207. Disqualification of former officers and employees; disqualification of partners of current officers and employees

"(a) Whoever, having been an officer or employee of the executive branch of the United States Government, of any independent agency of the United States, or of the District of Columbia, including a special Government employee, after his employment has ceased, knowingly acts as agent or attorney for, or otherwise represents, any other person (except the United States), in any formal or informal appearance before, or, with the intent to influence, makes any oral or written communication on behalf of any other person (except the United States) to—

"(1) any department, agency, court, court-martial, or any civil, military, or naval commission of the United States or the District of Columbia, or any officer or employee thereof, and

"(2) in connection with any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest, or other particular matter involving a specific party or parties in which the United States or the District of Columbia is a party or has a direct and substantial interest, and

"(3) in which he participated personally and substantially as an officer or employee through decision, approval, disapproval, recommendation, the rendering of advice, investigation or otherwise, while so employed; or

"(b) Whoever, (i) having been so employed, within two years after his employment has ceased, knowingly acts as agent or attorney for, or otherwise represents, any other person (except the United States), in any formal or informal appearance before, or, with the intent to influence, makes any oral or written communication on behalf of any other person (except the United States) to, or (ii) having been so employed and as specified in subsection (d) of this section, within two years after his employment has ceased, knowingly represents or aids, counsels, advises, consults, or assists in representing any other person (except the United States) concerning any formal or informal appearance before—

"(1) any department, agency, court, court-martial, or any civil, military or naval commission of the United States or the District of Columbia, or any officer or employee thereof, and

"(2) in connection with any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest or other particular matter involving a specific party or parties in

which the United States or the District of Columbia is a party or has a direct and substantial interest, and

"(3) which was actually pending under his official responsibility as an officer or employee within a period of one year prior to the termination of such responsibility, or in which he participated personally and substantially as an officer or employee; or

"(c) Whoever, other than a special Government employee who serves for less than sixty days in a given calendar year, having been so employed as specified in subsection (d) of this section, within one year after such employment has ceased, knowingly acts as agent or attorney for, or otherwise represents, anyone other than the United States in any formal or informal appearance before, or, with the intent to influence, makes any oral or written communication on behalf of anyone other than the United States, to— Penalty.

"(1) the department or agency in which he served as an officer or employee, or any officer or employee thereof, and

"(2) in connection with any judicial, rulemaking, or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest, or other particular matter, and

"(3) which is pending before such department or agency or in which such department or agency has a direct and substantial interest—

shall be fined not more than $10,000 or imprisoned for not more than two years, or both.

"(d) Subsection (c) of this section shall apply to a person employed—

"(1) at a rate of pay specified in or fixed according to subchapter II of chapter 53 of title 5, United States Code, or a comparable or greater rate of pay under other authority; 5 USC 5301.

"(2) in a position for which the basic rate of pay is equal to or greater than the basic rate of pay for GS–17 of the General Schedule prescribed by section 5332 of title 5, United States Code, and who has significant decision-making or supervisory responsibility, as designated by the Director of the Office of Government Ethics, in consultation with the head of the department or agency concerned;

"(3) on active duty as a commissioned officer of a uniformed service assigned to a pay grade of O–7 or above as described in section 201 of title 37, United States Code; or

"(4) in a position designated by the Director of the Office of Government Ethics. Within twelve months from the date of enactment of this subsection, the Director of the Office of Government Ethics shall designate positions, which are not included under paragraph (2) of this subsection and which involve significant decision-making authority, or other duties which are substantially similar to those exercised by persons covered by paragraph (2) of this subsection. On an annual basis, the Director shall review the positions designated pursuant to this paragraph, making additions and deletions as are necessary to satisfy the purposes of subsection (c). Departments and agencies shall cooperate to the fullest extent with the Director of the Office of Government Ethics in exercising his responsibilities under this paragraph. Departments and agencies, cooperation.

"(e) For the purposes of subsection (c), whenever the Director of the Office of Government Ethics determines that a separate statutory Rule.

agency or bureau within a department or agency exercises functions which are distinct and separate from the remaining functions of the department or agency, the Director shall by rule designate such agency or bureau as a separate department or agency; except that such designation shall not apply to former heads of designated bureaus or agencies, or former officers and employees of the department or agency whose official responsibilities included supervision of said agency or bureau.

Consultation. Publication in Federal Register.

"(f) The prohibitions of subsections (a), (b), and (c) shall not apply with respect to the making of communications solely for the purpose of furnishing scientific or technological information under procedures acceptable to the department or agency concerned, or if the head of the department or agency concerned with the particular matter, in consultation with the Director of the Office of Government Ethics, makes a certification, published in the Federal Register, that the former officer or employee has outstanding qualifications in a scientific, technological, or other technical discipline, and is acting with respect to a particular matter which requires such qualifications, and that the national interest would be served by the participation of the former officer or employee.

Penalty.

"(g) Whoever, being a partner of an officer or employee of the executive branch of the United States Government, of any independent agency of the United States, or of the District of Columbia, including a special Government employee, acts as agent or attorney for anyone other than the United States before any department, agency, court, court-martial, or any civil, military, or naval commission of the United States or the District of Columbia, or any officer or employee thereof, in connection with any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest, or other particular matter in which the United States or the District of Columbia is a party or has a direct and substantial interest and in which such officer or employee or special Government employee participates or has participated personally and substantially as an officer or employee through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, or which is the subject of his official responsibility, shall be fined not more than $5,000, or imprisoned for not more than one year, or both.

"(h) Nothing in this section shall prevent a former officer or employee from giving testimony under oath, or from making statements required to be made under penalty of perjury.

"(i) The prohibition contained in subsection (c) shall not apply to appearances or communications by a former officer or employee concerning matters of a personal and individual nature, such as personal income taxes or pension benefits; nor shall the prohibition of that subsection prevent a former officer or employee from making or providing a statement, which is based on the former officer's or employee's own special knowledge in the particular area that is the subject of the statement, provided that no compensation is thereby received, other than that regularly provided for by law or regulation for witnesses.

Notice, hearing opportunity.

"(j) If the head of the department or agency in which the former officer or employee served finds, after notice and opportunity for a hearing, that such former officer or employee violated subsection (a), (b), or (c) of this section, such department or agency head may prohibit that person from making, on behalf of any other person (except

the United States), any informal or formal appearance before, or, with the intent to influence, any oral or written communication to, such department or agency on a pending matter of business for a period not to exceed five years, or may take other appropriate disciplinary action. Such disciplinary action shall be subject to review in an appropriate United States district court. No later than six months after the effective date of this Act, departments and agencies shall, in consultation with the Director of the Office of Government Ethics, establish procedures to carry out this subsection.". Departments and agencies, consultation.

(b) The item relating to section 207 in the table or sections at the beginning of chapter 11 of title 18, United States Code, is amended to read as follows: 18 USC 201.

"207. Disqualification of former officers and employees; disqualification of partners of current officers and employees.".

APPLICABILITY

SEC. 502. The amendments made by section 501 shall not apply to those individuals who left Government service prior to the effective date of such amendments or, in the case of individuals who occupied positions designated pursuant to section 207(d) of title 18, United States Code, prior to the effective date of such designation; except that any such individual who returns to Government service on or after the effective date of such amendments or designation shall be thereafter covered by such amendments or designation. 18 USC 207 note.

EFFECTIVE DATE

SEC. 503. The amendments made by section 501 shall become effective on July 1, 1979. 18 USC 207 note.

TITLE VI—AMENDMENTS TO TITLE 28, UNITED STATES CODE

SPECIAL PROSECUTOR

SEC. 601. (a) Title 28 of the United States Code is amended by inserting immediately after chapter 37 the following new chapter: 28 USC 581.

"Chapter 39.—SPECIAL PROSECUTOR

"Sec.
"591. Applicability of provisions of this chapter.
"592. Application for appointment of a special prosecutor.
"593. Duties of the division of the court.
"594. Authority and duties of a special prosecutor.
"595. Reporting and congressional oversight.
"596. Removal of a special prosecutor; termination of office.
"597. Relationship with Department of Justice.
"598. Termination of effect of chapter.

"§ 591. Applicability of provisions of this chapter

28 USC 591.

"(a) The Attorney General shall conduct an investigation pursuant to the provisions of this chapter whenever the Attorney General receives specific information that any of the persons described in subsection (b) of this section has committed a violation of any Federal criminal law other than a violation constituting a petty offense. Investigation.

"(b) The persons referred to in subsection (a) of this section are—

"(1) the President and Vice President;

"(2) any individual serving in a position listed in section 5312 of title 5;

"(3) any individual working in the Executive Office of the President and compensated at a rate not less than the annual rate of basic pay provided for level IV of the Executive Schedule under section 5315 of title 5;

"(4) any individual working in the Department of Justice and compensated at a rate not less than the annual rate of basic pay provided for level III of the Executive Schedule under section 5314 of title 5, any Assistant Attorney General, the Director of Central Intelligence, the Deputy Director of Central Intelligence, and the Commissioner of Internal Revenue;

"(5) any individual who held any office or position described in any of paragraphs (1) through (4) of this subsection during the incumbency of the President or during the period the last preceding President held office, if such preceding President was of the same political party as the incumbent President; and

"(6) any officer of the principal national campaign committee seeking the election or reelection of the President.

28 USC 592.

"§ 592. Application for appointment of a special prosecutor

Preliminary investigation.

"(a) The Attorney General, upon receiving specific information that any of the persons described in section 591(b) of this title has engaged in conduct described in section 591(a) of this title, shall conduct, for a period not to exceed ninety days, such preliminary investigation of the matter as the Attorney General deems appropriate.

Notification.

"(b)(1) If the Attorney General, upon completion of the preliminary investigation, finds that the matter is so unsubstantiated that no further investigation or prosecution is warranted, the Attorney General shall so notify the division of the court specified in section 593(a) of this title, and the division of the court shall have no power to appoint a special prosecutor.

"(2) Such notification shall be by memorandum containing a summary of the information received and a summary of the results of any preliminary investigation.

"(3) Such memorandum shall not be revealed to any individual outside the division of the court or the Department of Justice without leave of the division of the court.

"(c)(1) If the Attorney General, upon completion of the preliminary investigation, finds that the matter warrants further investigation or prosecution, or if ninety days elapse from the receipt of the information without a determination by the Attorney General that the matter is so unsubstantiated as not to warrant further investigation or prosecution, then the Attorney General shall apply to the division of the court for the appointment of a special prosecutor.

"(2) If—

"(A) after the filing of a memorandum under subsection (b) of this section, the Attorney General receives additional specific information about the matter to which such memorandum related, and

"(B) the Attorney General determines, after such additional investigation as the Attorney General deems appropriate, that such information warrants further investigation or prosecution,

then the Attorney General shall, not later than ninety days after

receiving such additional information, apply to the division of the court for the appointment of a special prosecutor.

"(d)(1) Any application under this chapter shall contain sufficient information to assist the division of the court to select a special prosecutor and to define that special prosecu'or's prosecutorial jurisdiction.

"(2) No application or any other documents, materials, or memorandums supplied to the division of the court under this chapter shall be revealed to any individual outside the division of the court or the Department of Justice without leave of the division of the court.

"(e) The Attorney General may ask a special prosecutor to accept referral of a matter that relates to a matter within that special prosecutor's prosecutorial jurisdiction.

"(f) The Attorney General's determination under subsection (c) of this section to apply to the division of the court for the appointment of a special prosecutor shall not be reviewable in any court.

"§ 593. Duties of the division of the court 28 USC 593.

"(a) The division of the court to which this chapter refers is the division established under section 49 of this title.

"(b) Upon receipt of an application under section 592(c) of this title, the division of the court shall appoint an appropriate special prosecutor and shall define that special prosecutor's prosecutorial jurisdiction. A special prosecu'or's identity and prosecutorial jurisdiction shall be made public upon request of the Attorney General or upon a determination of the division of the court that disclosure of the identity and prosecutorial jurisdiction of such special prosecutor would be in the best interests of justice. In any event the identity and prosecutorial jurisdiction of such prosecutor shall be made public when any indictment is returned or any criminal information is filed. Appointment.

"(c) The division of the court, upon request of the Attorney General which may be incorporated in an application under this chapter, may expand the prosecutorial jurisdiction of an existing special prosecutor, and such expansion may be in lieu of the appointment of an additional special prosecutor.

"(d) The division of the court may not appoint as a special prosecutor any person who holds or recently held any office of profit or trust under the United States.

"(e) If a vacancy in office arises by reason of the resignation or death of a special prosecutor, the division of the court may appoint a special prosecutor to complete the work of the special prosecutor whose resignation or death caused the vacancy. If a vacancy in office arises by reason of the removal of a special prosecutor, the division of the court may appoint an acting special prosecutor to serve until any judicial review of such removal is completed. Upon the completion of such judicial review, the division of the court shall take appropriate action. Vacancy.

"§ 594. Authority and duties of a special prosecutor 28 USC 594.

"(a) Notwithstanding any other provision of law, a special prosecutor appointed under this chapter shall have, with respect to all matters in such special prosecutor's prosecutorial jurisdiction established under this chapter, full power and independent authority to exercise all investigative and prosecutorial functions and powers of the Department of Justice, the Attorney General, and any other officer or employee of the Department of Justice, except that the Attorney General shall exercise direction or control as to those matters that

specifically require the Attorney General's personal action under section 2516 of title 18. Such investigative and prosecutorial functions and powers shall include—

"(1) conducting proceedings before grand juries and other investigations;

"(2) participating in court proceedings and engaging in any litigation, including civil and criminal matters, that such special prosecutor deems necessary;

"(3) appealing any decision of a court in any case or proceeding in which such special prosecutor participates in an official capacity;

"(4) reviewing all documentary evidence available from any source;

"(5) determining whether to contest the assertion of any testimonial privilege;

"(6) receiving appropriate national security clearances and, if necessary, contesting in court (including, where appropriate, participating in in camera proceedings) any claim of privilege or attempt to withhold evidence on grounds of national security;

"(7) making applications to any Federal court for a grant of immunity to any witness, consistent with applicable statutory requirements, or for warrants, subpenas, or other court orders, and, for purposes of sections 6003, 6004, and 6005 of title 18, exercising the authority vested in a United States attorney or the Attorney General;

"(8) inspecting, obtaining, or using the original or a copy of any tax return, in accordance with the applicable statutes and regulations, and, for purposes of section 6103 of the Internal Revenue Code of 1954, and the regulations issued thereunder, exercising the powers vested in a United States attorney or the Attorney General; and

"(9) initiating and conducting prosecutions in any court of competent jurisdiction, framing and signing indictments, filing informations, and handling all aspects of any case in the name of the United States.

Compensation.

"(b) A special prosecutor appointed under this chapter shall receive compensation at a per diem rate equal to the annual rate of basic pay for level IV of the Executive Schedule under section 5315 of title 5.

Employees, appointment.

"(c) For the purposes of carrying out the duties of the office of special prosecutor, a special prosecutor shall have power to appoint, fix the compensation, and assign the duties, of such employees as such special prosecutor deems necessary (including investigators, attorneys, and part-time consultants). The positions of all such employees are exempted from the competitive service. No such employee may be compensated at a rate exceeding the maximum rate provided for GS-18 of the General Schedule under section 5332 of title 5.

Compensation.

Assistance.

"(d) A special prosecutor may request assistance from the Department of Justice, and the Department of Justice shall provide that assistance, which may include access to any records, files, or other materials relevant to matters within such special prosecutor's prosecutorial jurisdiction, and the use of the resources and personnel necessary to perform such special prosecutor's duties.

"(e) A special prosecutor may ask the Attorney General or the division of the court to refer matters related to the special prosecutor's prosecutorial jurisdiction. A special prosecutor may accept referral

of a matter by the Attorney General, if the matter relates to a matter within such special prosecutor's prosecutorial jurisdiction as established by the division of the court. If such a referral is accepted, the special prosecutor shall notify the division of the court. Notification.

"(f) A special prosecutor shall, to the extent that such special prosecutor deems appropriate, comply with the written policies of the Department of Justice respecting enforcement of the criminal laws.

"§ 595. Reporting and congressional oversight 28 USC 595.

"(a) A special prosecutor appointed under this chapter may make public from time to time, and shall send to the Congress statements or reports on the activities of such special prosecutor. These statements and reports shall contain such information as such special prosecutor deems appropriate.

"(b)(1) In addition to any reports made under subsection (a) of this section, and before the termination of a special prosecutor's office under section 596(b) of this title, such special prosecutor shall submit to the division of the court a report under this subsection.

"(2) A report under this subsection shall set forth fully and completely a description of the work of the special prosecutor, including the disposition of all cases brought, and the reasons for not prosecuting any matter within the prosecutorial jurisdiction of such special prosecutor which was not prosecuted. Report contents.

"(3) The division of the court may release to the Congress, the public, or to any appropriate person, such portions of a report made under this subsection as the division deems appropriate. The division of the court shall make such orders as are appropriate to protect the rights of any individual named in such report and to prevent undue interference with any pending prosecution. The division of the court may make any portion of a report under this section available to any individual named in such report for the purposes of receiving within a time limit set by the division of the court any comments or factual information that such individual may submit. Such comments and factual information, in whole or in part, may in the discretion of such division be included as an appendix to such report.

"(c) A special prosecutor shall advise the House of Representatives of any substantial and credible information which such special prosecutor receives that may constitute grounds for an impeachment. Nothing in this chapter or section 49 of this title shall prevent the Congress or either House thereof from obtaining information in the course of an impeachment proceeding.

"(d) The appropriate committees of the Congress shall have oversight jurisdiction with respect to the official conduct of any special prosecutor appointed under this chapter, and such special prosecutor shall have the duty to cooperate with the exercise of such oversight jurisdiction. Oversight jurisdiction.

"(e) A majority of majority party members or a majority of all nonmajority party members of the Committee on the Judiciary of either House of the Congress may request in writing that the Attorney General apply for the appointment of a special prosecutor. Not later than thirty days after the receipt of such a request, or not later than fifteen days after the completion of a preliminary investigation of the matter with respect to which the request is made, whichever is later, the Attorney General shall provide written notification of any action the Attorney General has taken in response to such request and, if no application Written notification.

has been made to the division of the court, why such application was not made. Such written notification shall be provided to the committee on which the persons making the request serve, and shall not be revealed to any third party, except that the committee may, either on its own initiative or upon the request of the Attorney General, make public such portion or portions of such notification as will not in the committee's judgment prejudice the rights of any individual.

28 USC 596.

"§ 596. Removal of a special prosecutor; termination of office

"(a)(1) A special prosecutor appointed under this chapter may be removed from office, other than by impeachment and conviction, only by the personal action of the Attorney General and only for extraordinary impropriety, physical disability, mental incapacity, or any other condition that substantially impairs the performance of such special prosecutor's duties.

Report, submittal to congressional committees.

"(2) If a special prosecutor is removed from office, the Attorney General shall promptly submit to the division of the court and the Committees on the Judiciary of the Senate and the House of Representatives a report specifying the facts found and the ultimate grounds for such removal. The committees shall make available to the public such report, except that each committee may, if necessary to protect the rights of any individual named in the report or to prevent undue interference with any pending prosecution, delete or postpone publishing any or all of the report. The division of the court may release any or all of such report in the same manner as a report released under section 595(b)(3) of this title and under the same limitations as apply to the release of a report under that section.

Judicial review.

"(3) A special prosecutor so removed may obtain judicial review of the removal in a civil action commenced before the division of the court and, if such removal was based on error of law or fact, may obtain reinstatement or other appropriate relief. The division of the court shall cause such an action to be in every way expedited.

Notification.

"(b)(1) An office of special prosecutor shall terminate when (A) the special prosecutor notifies the Attorney General that the investigation of all matters within the prosecutorial jurisdiction of such special prosecutor or accepted by such special prosecutor under section 594(e) of this title, and any resulting prosecutions, have been completed or so substantially completed that it would be appropriate for the Department of Justice to complete such investigations and prosecutions and (B) the special prosecutor files a report in full compliance with section 595(b) of this title.

"(2) The division of the court, either on its own motion or upon suggestion of the Attorney General, may terminate an office of special prosecutor at any time, on the ground that the investigation of all matters within the prosecutorial jurisdiction of the special prosecutor or accepted by such special prosecutor under section 594(e) of this title, and any resulting prosecutions, have been completed or so substantially completed that it would be appropriate for the Department of Justice to complete such investigations and prosecutions. At the time of termination, the special prosecutor shall file the report required by section 595(b) of this title.

28 USC 597.

"§ 597. Relationship with Department of Justice

"(a) Whenever a matter is in the prosecutorial jurisdiction of a special prosecutor or has been accepted by a special prosecutor under section 594(e) of this title, the Department of Justice, the Attorney

General, and all other officers and employees of the Department of Justice shall suspend all investigations and proceedings regarding such matter, except to the extent required by section 594(d) of this title, and except insofar as such special prosecutor agrees in writing that such investigation or proceedings may be continued by the Department of Justice.

"(b) Nothing in this chapter shall prevent the Attorney General or the Solicitor General from making a presentation as amicus curiae to any court as to issues of law raised by any case or proceeding in which a special prosecutor participates in an official capacity or any appeal of such a case or proceeding.

"§ 598. Termination of effect of chapter 28 USC 598.

"This chapter shall cease to have effect five years after the date of the enactment of this chapter, except that this chapter shall continue in effect with respect to then pending matters before a special prosecutor that in the judgment of such special prosecutor require such continuation until that special prosecutor determines such matters have been completed.".

(b) The tables of chapters for title 28 of the United States Code and for part II of such title 28 are each amended by inserting immediately after the item relating to chapter 37 the following new item:

"39. Special prosecutor.".

(c) There are authorized to be appropriated for each fiscal year such sums as may be necessary, to be held by the Department of Justice as a contingent fund for the use of any special prosecutors appointed under chapter 39 (relating to special prosecutor) of title 28 of the United States Code in the carrying out of functions under such chapter. Appropriation authorization. 28 USC 591 note.

ASSIGNMENT OF JUDGES TO DIVISION TO APPOINT SPECIAL PROSECUTORS

SEC. 602. (a) Chapter 3 of title 28 of the United States Code is amended by adding at the end the following:

"§ 49. Assignment of judges to division to appoint special prosecutors 28 USC 49.

"(a) Beginning with the two-year period commencing on the date of the enactment of this section, three judges or justices shall be assigned for each successive two-year period to a division of the United States Court of Appeals for the District of Columbia to be the division of the court for the purpose of appointing special prosecutors.

"(b) Except as provided under subsection (f) of this section, assignment to such division of the court shall not be a bar to other judicial assignments during the term of such division.

"(c) In assigning judges or justices to sit on such division of the court, priority shall be given to senior circuit judges and retired justices. Priority.

"(d) The Chief Justice of the United States shall designate and assign three circuit court judges or justices, one of whom shall be a judge of the United States Court of Appeals for the District of Columbia, to such division of the court. Not more than one judge or justice or senior or retired judge or justice may be named to such division from a particular court.

"(e) Any vacancy in such division of the court shall be filled only for the remainder of the two-year period in which such vacancy Vacancy.

occurs and in the same manner as initial assignments to such division were made.

"(f) Except as otherwise provided in chapter 39 of this title, no member of such division of the court who participated in a function conferred on the division under chapter 39 of this title involving a special prosecutor shall be eligible to participate in any judicial proceeding concerning a matter which involves such special prosecutor while such special prosecutor is serving in that office or which involves the exercise of such special prosecutor's official duties, regardless of whether such special prosecutor is still serving in that office.".

(b) The table of sections for chapter 3 of title 28 of the United States Code is amended by adding at the end the following item:

"49. Assignment of judges to division to appoint special prosecutors.".

DISQUALIFICATION OF OFFICERS AND EMPLOYEES OF THE DEPARTMENT OF JUSTICE AND ANNUAL REPORT OF ATTORNEY GENERAL

SEC. 603. (a) Chapter 31 of title 28 of the United States Code is amended by adding at the end the following:

28 USC 528.

"§ 528. Disqualification of officers and employees of the Department of Justice

Rules and regulations.

"The Attorney General shall promulgate rules and regulations which require the disqualification of any officer or employee of the Department of Justice, including a United States attorney or a member of such attorney's staff, from participation in a particular investigation or prosecution if such participation may result in a personal, financial, or political conflict of interest, or the appearance thereof. Such rules and regulations may provide that a willful violation of any provision thereof shall result in removal from office.

28 USC 529.

"§ 529. Annual report of Attorney General

Report to Congress.

"Beginning on June 1, 1979, and at the beginning of each regular session of Congress thereafter, the Attorney General shall report to Congress on the activities and operations of the Public Integrity Section or any other unit of the Department of Justice designated to supervise the investigation and prosecution of—

"(1) any violation of Federal criminal law by any individual who holds or who at the time of such violation held a position, whether or not elective, as a Federal Government officer, employee, or special employee, if such violation relates directly or indirectly to such individual's Federal Government position, employment, or compensation;

"(2) any violation of any Federal criminal law relating to lobbying, conflict of interest, campaigns, and election to public office committed by any person, except insofar as such violation relates to a matter involving discrimination or intimidation on grounds of race, color, religion, or national origin;

"(3) any violation of Federal criminal law by any individual who holds or who at the time of such violation held a position, whether or not elective, as a State or local government officer or employee, if such violation relates directly or indirectly to such individual's State or local government position, employment, or compensation; and

"(4) such other matters as the Attorney General may deem appropriate.

Such report shall include the number, type, and disposition of all investigations and prosecutions supervised by such Section or such unit, except that such report shall not disclose information which would interfere with any pending investigation or prosecution or which would improperly infringe upon the privacy rights of any individuals.".

(b) The table of sections for chapter 31 of title 28 of the United States Code is amended by adding at the end of the following:

"528. Disqualification of officers and employees of the Department of Justice.
"529. Annual report of Attorney General.".

EFFECTIVE DATE

SEC. 604. Except as provided in this section, the amendments made by this title shall take effect on the date of the enactment of this Act. The provisions of chapter 39 of title 28 of the United States Code, as added by section 601 of this Act, shall not apply to specific information received by the Attorney General pursuant to section 591 of such title 28, if the Attorney General determines that— 28 USC 591 note.

(1) such specific information is directly related to a prosecution pending at the time such specific information is received by the Attorney General;

(2) such specific information is related to a matter which has been presented to a grand jury and is received by the Attorney General within one hundred and eighty days of the date of the enactment of this Act; or

(3) such specific information is related to an investigation that is pending at the time such specific information is received by the Attorney General, and such specific information is received by the Attorney General within ninety days of the date of the enactment of this Act.

TITLE VII—SENATE LEGAL COUNSEL

ESTABLISHMENT OF OFFICE OF SENATE LEGAL COUNSEL

SEC. 701. (a) (1) There is established, as an office of the Senate, the Office of Senate Legal Counsel (hereinafter referred to as the "Office"), which shall be headed by a Senate Legal Counsel (hereinafter referred to as the "Counsel"); and there shall be a Deputy Senate Legal Counsel (hereinafter referred to as the "Deputy Counsel") who shall perform such duties as may be assigned to him by the Counsel and who, during any absence, disability, or vacancy in the position of the Counsel, shall serve as Acting Senate Legal Counsel. 2 USC 288.

(2) The Counsel and the Deputy Counsel each shall be appointed by the President pro tempore of the Senate from among recommendations submitted by the majority and minority leaders of the Senate. Any appointment made under this paragraph shall be made without regard to political affiliation and solely on the basis of fitness to perform the duties of the position. Any person appointed as Counsel or Deputy Counsel shall be learned in the law, a member of the bar of a State or the District of Columbia, and shall not engage in any other business, vocation, or employment during the term of such appointment. Counsel and Deputy Counsel, appointment.

(3) (A) Any appointment made under paragraph (2) shall become effective upon approval by resolution of the Senate. The Counsel Appointment, Senate approval.

and the Deputy Counsel shall each be appointed for a term of service which shall expire at the end of the Congress following the Congress during which the Counsel or Deputy Counsel, respectively, is appointed except that the Senate may, by resolution, remove either the Counsel or the Deputy Counsel prior to the termination of any term of service. The Counsel and the Deputy Counsel may be reappointed at the termination of any term of service.

Reappointment.

(B) The first Counsel and the first Deputy Counsel shall be appointed, approved, and begin service within ninety days after the effective date of this title, and thereafter the Counsel and Deputy Counsel shall be appointed, approved, and begin service within thirty days after the beginning of the session of the Congress immediately following the termination of a Counsel's or Deputy Counsel's term of service or within sixty days after a vacancy occurs in either position.

Compensation.

(4) The Counsel shall receive compensation at a rate equal to the annual rate of basic pay for level III of the Executive Schedule under section 5314 of title 5 of the United States Code. The Deputy Counsel shall receive compensation at a rate equal to the annual rate of basic pay for level IV of the Executive Schedule under section 5315 of title 5 of the United States Code.

Assistant Senate Legal Counsels, compensation.

(b)(1) The Counsel shall select and fix the compensation of such Assistant Senate Legal Counsels (hereinafter referred to as "Assistant Counsels") and of such other personnel, within the limits of available funds, as may be necessary to carry out the provisions of this title and may prescribe the duties and responsibilities of such personnel. The compensation fixed for each Assistant Counsel shall not be in excess of a rate equal to the annual rate of basic pay for level V of the Executive Schedule under section 5316 of title 5 of the United States Code. Any selection made under this paragraph shall be made without regard to political affiliation and solely on the basis of fitness to perform the duties of the position. Any individual selected as an Assistant Counsel shall be learned in the law, a member of the bar of a State or the District of Columbia, and shall not engage in any other business, vocation, or employment during his term of service. The Counsel may remove any individual appointed under this paragraph.

Removal.

(2) For purposes of pay (other than the rate of pay of the Counsel and Deputy Counsel) and employment benefits, right, and privileges, all personnel of the Office shall be treated as employees of the Senate.

(c) In carrying out the functions of the Office, the Counsel may procure the temporary (not to exceed one year) or intermittent services of individual consultants (including outside counsel), or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate may procure such services under section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)).

(d) The Counsel may establish such policies and procedures as may be necessary to carry out the provisions of this title.

(e) The counsel may delegate authority for the performance of any function imposed by this title except any function imposed upon the Counsel under section 706(b) of this title.

Attorney-client relationship.

(f) The Counsel and other employees of the Office shall maintain the attorney-client relationship with respect to all communications between them and any Member, officer, or employee of the Senate.

ACCOUNTABILITY OF OFFICE

SEC. 702. (a) The Office shall be directly accountable to the Joint Leadership Group in the performance of the duties of the Office. 2 USC 288a.

(b) For purposes of this title, the Joint Leadership Group shall consist of the following Members: Membership.

(1) The President pro tempore (or if he so designates, the Deputy President pro tempore) of the Senate.

(2) The majority and minority leaders of the Senate.

(3) The Chairman and ranking minority Member of the Committee on the Judiciary of the Senate.

(4) The Chairman and ranking minority Member of the committee of the Senate which has jurisdiction over the contingent fund of the Senate.

(c) The Joint Leadership Group shall be assisted in the performance of its duties by the Secretary of the Senate.

REQUIREMENTS FOR AUTHORIZING REPRESENTATION ACTIVITY

SEC. 703. (a) The Counsel shall defend the Senate or a committee, subcommittee, Member, officer, or employee of the Senate under section 704 only when directed to do so by two-thirds of the Members of the Joint Leadership Group or by the adoption of a resolution by the Senate. 2 USC 288b.

(b) The Counsel shall bring a civil action to enforce a subpena of the Senate or a committee or subcommittee of the Senate under section 705 only when directed to do so by the adoption of a resolution by the Senate. Civil action.

(c) The Counsel shall intervene or appear as amicus curiae under section 706 only when directed to do so by a resolution adopted by the Senate when such intervention or appearance is to be made in the name of the Senate or in the name of an officer, committee, subcommittee, or chairman of a committee or subcommittee of the Senate.

(d) The Counsel shall serve as the duly authorized representative in obtaining an order granting immunity under section 707 of—

(1) the Senate when directed to do so by an affirmative vote of a majority of the Members present of the Senate; or

(2) a committee or subcommittee of the Senate when directed to do so by an affirmative vote of two-thirds of the members of the full committee.

(e) The Office shall make no recommendation with respect to the consideration of a resolution under this section.

DEFENDING THE SENATE, A COMMITTEE, SUBCOMMITTEE, MEMBER, OFFICER, OR EMPLOYEE OF THE SENATE

SEC. 704. (a) Except as otherwise provided in subsection (b), when directed to do so pursuant to section 703(a), the Counsel shall— 2 USC 288c.

(1) defend the Senate, a committee, subcommittee, Member, officer, or employee of the Senate in any civil action pending in any court of the United States or of a State or political subdivision thereof, in which the Senate, such committee, subcommittee, Member, officer, or employee is made a party defendant and in which there is placed in issue the validity of any proceeding of, or action, including issuance of any subpena or order, taken by

the Senate, or such committee, subcommittee, Member, officer, or employee in its or his official or representative capacity; or

(2) defend the Senate or a committee, subcommittee, Member, officer, or employee of the Senate in any proceeding with respect to any subpena or order directed to the Senate or such committee, subcommittee, Member, officer, or employee in its or his official or representative capacity.

(b) Representation of a Member, officer, or employee under subsection (a) shall be undertaken by the Counsel only upon the consent of such Member, officer, or employee.

INSTITUTING A CIVIL ACTION TO ENFORCE A SUBPENA

2 USC 288d.

SEC. 705. (a) When directed to do so pursuant to section 703(b), the Counsel shall bring a civil action under any statute conferring jurisdiction on any court of the United States (including section 1364 of title 28 of the United States Code, as added by subsection (f)(1) of this section), to enforce, to secure a declaratory judgment concerning the validity of, or to prevent a threatened failure or refusal to comply with, any subpena or order issued by the Senate or a committee or a subcommittee of the Senate authorized to issue a subpena or order.

(b) Any directive to the Counsel to bring a civil action pursuant to subsection (a) of this section in the name of a committee or subcommittee of the Senate shall, for such committee or subcommittee, constitute authorization to bring such action within the meaning of any statute conferring jurisdiction on any court of the United States.

(c) It shall not be in order in the Senate to consider a resolution to direct the Counsel to bring a civil action pursuant to subsection (a) in the name of a committee or subcommittee unless—

(1) such resolution is reported by a majority of the members voting, a majority being present, of such committee or committee of which such subcommittee is a subcommittee, and

(2) the report filed by such committee or committee of which such subcommittee is a subcommittee contains a statement of—

(A) the procedure followed in issuing such subpena;

(B) the extent to which the party subpenaed has complied with such subpena;

(C) any objections or privileges raised by the subpenaed party; and

(D) the comparative effectiveness of bringing a civil action under this section, certification of a criminal action for contempt of Congress, and initiating a contempt proceeding before the Senate.

(d) The provisions of subsection (c) are enacted—

(1) as an exercise of the rulemaking power of the Senate, and, as such, they shall be considered as part of the rules of the Senate, and such rules shall supersede any other rule of the Senate only to the extent that rule is inconsistent therewith; and

(2) with full recognition of the constitutional right of the Senate to change such rules (so far as relating to the procedure in the Senate) at any time, in the same manner, and to the same extent as in the case of any other rule of the Senate.

(e) A report filed pursuant to subsection (c)(2) shall not be receivable in any court of law to the extent such report is in compliance with such subsection.

(f)(1) Chapter 35 of title 28 of the United States Code is amended by adding at the end thereof the following new section:

"§ 1364. Senate actions

28 USC 1364.

"(a) The United States District Court for the District of Columbia shall have original jurisdiction, without regard to the amount in controversy, over any civil action brought by the Senate or any authorized committee or subcommittee of the Senate to enforce, to secure a declaratory judgment concerning the validity of, or to prevent a threatened refusal or failure to comply with, any subpena or order issued by the Senate or committee or subcommittee of the Senate to any entity acting or purporting to act under color or authority of State law or to any natural person to secure the production of documents or other materials of any kind or the answering of any deposition or interrogatory or to secure testimony or any combination thereof. This section shall not apply to an action to enforce, to secure a declaratory judgment concerning the validity of, or to prevent a threatened refusal to comply with, any subpena or order issued to an officer or employee of the Federal Government acting within his official capacity.

Jurisdiction.

"(b) Upon application by the Senate or any authorized committee or subcommittee of the Senate, the district court shall issue an order to an entity or person refusing, or failing to comply with, or threatening to refuse or not to comply with, a subpena or order of the Senate or committee or subcommittee of the Senate requiring such entity or person to comply forthwith. Any refusal or failure to obey a lawful order of the district court issued pursuant to this section may be held by such court to be a contempt thereof. A contempt proceeding shall be commenced by an order to show cause before the court why the entity or person refusing or failing to obey the court order should not be held in contempt of court. Such contempt proceeding shall be tried by the court and shall be summary in manner. The purpose of sanctions imposed as a result of such contempt proceeding shall be to compel obedience to the order of the court. Process in any such action or contempt proceeding may be served in any judicial district wherein the entity or party refusing, or failing to comply, or threatening to refuse or not to comply, resides, transacts business, or may be found, and subpenas for witnesses who are required to attend such proceeding may run into any other district. Nothing in this section shall confer upon such court jurisdiction to affect by injunction or otherwise the issuance or effect of any subpena or order of the Senate or any committee or subcommittee of the Senate or to review, modify, suspend, terminate, or set aside any such subpena or order. An action, contempt proceeding, or sanction brought or imposed pursuant to this section shall not abate upon adjournment sine die by the Senate at the end of a Congress if the Senate or the committee or subcommittee of the Senate which issued the subpena or order certifies to the court that it maintains its interest in securing the documents, answers, or testimony during such adjournment.

Application.

"(c) In any civil action or contempt proceeding brought pursuant to this section, the court shall assign the action or proceeding for hearing at the earliest practicable date and cause the action or proceeding in every way to be expedited. Any appeal or petition for review from any order or judgment in such action or proceeding shall be expedited in the same manner.

"(d) The Senate or any committee or subcommittee of the Senate commencing and prosecuting a civil action or contempt proceeding under this section may be represented in such action by such attorneys as the Senate may designate.

"(e) A civil action commenced or prosecuted under this section, may not be authorized pursuant to the Standing Order of the Senate 'authorizing suits by Senate Committees' (S. Jour. 572, May 28, 1928).

"Committee." "(f) For the purposes of this section the term 'committee' includes standing, select, or special committees of the Senate established by law or resolution.".

(2) The table of sections of such chapter 85 is amended by adding at the end thereof the following new item:

"1364. Senate actions."

2 USC 288d. (g) Nothing in this section shall limit the discretion of—

(1) the President pro tempore of the Senate in certifying to the United States Attorney for the District of Columbia any matter pursuant to section 104 of the Revised Statutes (2 U.S.C. 194); or

(2) the Senate to hold any individual or entity in contempt of the Senate.

INTERVENTION OR APPEARANCE

2 USC 288e. SEC. 706. (a) When directed to do so pursuant to section 703(c), the Counsel shall intervene or appear as amicus curiae in the name of the Senate, or in the name of an officer, committee, subcommittee, or chairman of a committee or subcommittee of the Senate in any legal action or proceeding pending in any court of the United States or of a State or political subdivision thereof in which the powers and responsibilities of Congress under the Constitution of the United States are placed in issue. The Counsel shall be authorized to intervene only if standing to intervene exists under section 2 of article III of the Constitution of the United States.

USC prec. title 1. Notification. (b) The Counsel shall notify the Joint Leadership Group of any legal action or proceeding in which the Counsel is of the opinion that intervention or appearance as amicus curiae under subsection (a) is in the interest of the Senate. Such notification shall contain a description of the legal action or proceeding together with the reasons that the Counsel is of the opinion that intervention or appearance as amicus curiae is in the interest of the Senate. The Joint Leadership Group shall cause said notification to be published in the Congressional Record for the Senate.

Publication in Congressional Record.

(c) The Counsel shall limit any intervention or appearance as amicus curiae in an action or proceeding to issues relating to the powers and responsibilities of Congress.

IMMUNITY PROCEEDINGS

2 USC 288f. SEC. 707. When directed to do so pursuant to section 703(d), the Counsel shall serve as the duly authorized representative of the Senate or a committee or subcommittee of the Senate in requesting a United States district court to issue an order granting immunity pursuant to section 201(a) of the Organized Crime Control Act of 1970 (18 U.S.C. 6005).

ADVISORY AND OTHER FUNCTIONS

2 USC 288g. SEC. 708. (a) The Counsel shall advise, consult, and cooperate with—

(1) the United States Attorney for the District of Columbia

with respect to any criminal proceeding for contempt of Congress certified by the President pro tempore of the Senate pursuant to section 104 of the Revised Statutes (2 U.S.C. 194);

(2) the committee of the Senate with the responsibility to identify any court proceeding or action which is of vital interest to the Senate;

(3) the Comptroller General, the General Accounting Office, the Office of Legislative Counsel of the Senate, and the Congressional Research Service, except that none of the responsibilities and authority assigned by this title to the Counsel shall be construed to affect or infringe upon any functions, powers, or duties of the aforementioned;

(4) any Member, officer, or employee of the Senate not represented under section 704 with regard to obtaining private legal counsel for such Member, officer, or employee;

(5) the President pro tempore of the Senate, the Secretary of Senate, the Sergeant-at-Arms of the Senate, and the Parliamentarian of the Senate, regarding any subpena, order, or request for withdrawal of papers presented to the Senate which raises a question of the privileges of the Senate; and

(6) any committee or subcommittee of the Senate in promulgating and revising their rules and procedures for the use of congressional investigative powers and with respect to questions which may arise in the course of any investigation.

(b) The Counsel shall compile and maintain legal research files of materials from court proceedings which have involved Congress, a House of Congress, an office or agency of Congress, or any committee, subcommittee, Member, officer, or employee of Congress. Public court papers and other research memoranda which do not contain information of a confidential or privileged nature shall be made available to the public consistent with any applicable procedures set forth in such rules of the Senate as may apply and the interests of the Senate.

Legal research files, compilation and maintenance.

(c) The Counsel shall perform such other duties consistent with the purposes and limitations of this title as the Senate may direct.

DEFENSE OF CERTAIN CONSTITUTIONAL POWERS

SEC. 709. In performing any function under this title, the Counsel shall defend vigorously when placed in issue—

2 USC 288h.

(1) the constitutional privilege from arrest or from being questioned in any other place for any speech or debate under section 6 of article I of the Constitution of the United States;

(2) the constitutional power of the Senate to be judge of the elections, returns, and qualifications of its own Members and to punish or expel a Member under section 5 of article I of the Constitution of the United States;

(3) the constitutional power of the Senate to except from publication such parts of its journal as in its judgment may require secrecy;

(4) the constitutional power of the Senate to determine the rules of its proceedings;

(5) the constitutional power of Congress to make all laws as shall be necessary and proper for carrying into execution the constitutional powers of Congress and all other powers vested by the Constitution in the Government of the United States, or in any department or office thereof;

(6) all other constitutional powers and responsibilities of the Senate or of Congress; and

(7) the constitutionality of Acts and joint resolutions of the Congress.

CONFLICT OR INCONSISTENCY

Notification.
2 USC 288i.

SEC. 710. (a) In the carrying out of the provisions of this title, the Counsel shall notify the Joint Leadership Group, and any party represented or person affected, of the existence and nature of any conflict or inconsistency between the representation of such party or person and the carrying out of any other provision of this title or compliance with professional standards and responsibilities.

(b) Upon receipt of such notification, the members of the Joint Leadership Group shall recommend the action to be taken to avoid or resolve the conflict or inconsistency. If such recommendation is made by a two-thirds vote, the Counsel shall take such steps as may be necessary to resolve the conflict or inconsistency as recommended. If not, the members of the Joint Leadership Group shall cause the notification of conflict or inconsistency and recommendation with respect to resolution thereof to be published in the Congressional Record of the Senate. If the Senate does not direct the Counsel within fifteen days from the date of publication in the Record to resolve the conflict in another manner, the Counsel shall take such action as may be necessary to resolve the conflict or inconsistency as recommended. Any instruction or determination made pursuant to this subsection shall not be reviewable in any court of law.

Publication in Congressional Record.

(c) For purposes of the computation of the fifteen day period in subsection (b)—

(1) continuity of session is broken only by an adjournment of Congress sine die; and

(2) the days on which the Senate is not in session because of an adjournment of more than three days to a date certain are excluded.

Reimbursement.

(d) The Senate may by resolution authorize the reimbursement of any Member, officer, or employee of the Senate who is not represented by the Counsel for fees and costs, including attorneys' fees, reasonably incurred in obtaining representation. Such reimbursement shall be from funds appropriated to the contingent fund of the Senate.

PROCEDURE FOR CONSIDERATION OF RESOLUTIONS TO DIRECT THE COUNSEL

2 USC 288j.

SEC. 711. (a)(1) A resolution introduced pursuant to section 703 shall not be referred to a committee, except as otherwise required under section 705(c). Upon introduction, or upon being reported if required under section 705(c), whichever is later, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such resolution. A motion to proceed to the consideration of a resolution shall be highly privileged and not debatable. An amendment to such motion shall not be in order, and it shall not be in order to move to reconsider the vote by which such motion is agreed to.

(2) With respect to a resolution pursuant to section 703(a), the following rules apply:

(A) If the motion to proceed to the consideration of the resolution is agreed to, debate thereon shall be limited to not more than ten hours, which shall be divided equally between, and

controlled by, those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to the resolution shall be in order. No motion to recommit the resolution shall be in order, and it shall not be in order to reconsider the vote by which the resolution is agreed to.

(B) Motions to postpone, made with respect to the consideration of the resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(C) All appeals from the decisions of the Chair relating to the application of the rules of the Senate to the procedure relating to the resolution shall be decided without debate.

"Committee." (b) For purposes of this title, other than section 703, the term "committee" includes standing, select, and special committees of the Senate established by law or resolution.

(c) The provisions of this section are enacted—

(1) as an exercise of the rulemaking power of the Senate, and, as such, they shall be considered as part of the rules of the Senate, and such rules shall supersede any other rule of the Senate only to the extent that rule is inconsistent therewith; and

(2) with full recognition of the constitutional right of the Senate to change such rules at any time, in the same manner, and to the same extent as in the case of any other rule of the Senate.

ATTORNEY GENERAL RELIEVED OF RESPONSIBILITY

2 USC 288k. SEC. 712. (a) Upon receipt of written notice that the Counsel has undertaken, pursuant to section 704(a) of this title, to perform any representational service with respect to any designated party in any action or proceeding pending or to be instituted, the Attorney General shall—

(1) be relieved of any responsibility with respect to such representational service;

(2) have no authority to perform such service in such action or proceeding except at the request or with the approval of the Senate; and

(3) transfer all materials relevant to the representation authorized under section 704(a) to the Counsel, except that nothing in this subsection shall limit any right of the Attorney General under existing law to intervene or appear as amicus curiae in such action or proceeding.

Notification. (b) The Attorney General shall notify the Counsel with respect to any proceeding in which the United States is a party of any determination by the Attorney General or Solicitor General not to appeal any court decision affecting the constitutionality of an Act or joint resolution of Congress within such time as will enable the Senate to direct the Counsel to intervene as a party in such proceeding pursuant to section 706.

PROCEDURAL PROVISIONS

2 USC 288l. SEC. 713. (a) Permission to intervene as a party or to appear as amicus curiae under section 706 of this title shall be of right and may be denied by a court only upon an express finding that such intervention or appearance is untimely and would significantly delay the pending action or that standing to intervene has not been established

under section 2 of article III of the Constitution of the United States.

(b) The Counsel, the Deputy Counsel, or any designated Assistant Counsel or counsel specially retained by the Office shall be entitled, for the purpose of performing his functions under this title, to enter an appearance in any proceeding before any court of the United States or of a State or political subdivision thereof without compliance with any requirement for admission to practice before such court, except that the authorization conferred by this subsection shall not apply with respect to the admission of any such person to practice before the United States Supreme Court.

(c) Nothing in this title shall be construed to confer standing on any party seeking to bring, or jurisdiction on any court with respect to, any civil or criminal action against Congress, either House of Congress, a Member of Congress, a committee or subcommittee of a House of Congress, any office or agency of Congress, or any officer or employee of a House of Congress or any office or agency of Congress.

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 714. (a) Section 3210 of title 39 of the United States Code, is amended—

(1) by striking out "and the Legislative Counsels of the House of Representatives and the Senate" in subsection (b)(1) and inserting in lieu thereof "the Legislative Counsels of the House of Representatives and the Senate, and the Senate Legal Counsel"; and

(2) by striking out "or the Legislative Counsel of the House of Representatives or the Senate" in subsection (b)(2) and inserting in lieu thereof "the Legislative Counsel of the House of Representatives or the Senate, or the Senate Legal Counsel".

(b) Section 3216 (a)(1)(A) of such title is amended by striking out "and the Legislative Counsels of the House of Representatives and the Senate" and inserting in lieu thereof "the Legislative Counsels of the House of Representatives and the Senate, and the Senate Legal Counsel".

(c) Section 3219 of such title is amended by striking out "or the Legislative Counsel of the House of Representatives or the Senate" and inserting in lieu thereof "the Legislative Counsel of the House of Representatives or the Senate, or the Senate Legal Counsel".

2 USC 118a.

(d) Section 8 of the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and seventy-six, and for other purposes," approved March 3, 1875 (2 U.S.C. 118), shall not apply to officers of the Senate.

SEPARABILITY

2 USC 288 note.

SEC. 715. If any part of this title or any amendment made by this title, is held invalid, the remainder of the title and any amendment made by this title shall not be affected thereby. If any provision of any part of this title or of any amendment made by this title, or the application thereof to any person or circumstance is held invalid, the provisions of other parts and of any amendment made by this title and their application to other persons or circumstances shall not be affected thereby.

CONTINGENT FUND

SEC. 716. The expenses of the Office shall be paid from the contingent fund of the Senate in accordance with the paragraph under the heading "UNDER LEGISLATIVE", relating to the contingent fund of the Senate, of the Act of October 1, 1888 (28 Stat. 546; 2 U.S.C. 68), and upon vouchers approved by the Counsel. 2 USC 288m.

EFFECTIVE DATE

SEC. 717. This title shall take effect on January 3, 1979. 2 USC 288 note.

Approved October 26, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-800 accompanying H.R. 1 (Comm. on the Judiciary) and No. 95-1756 (Comm. of Conference).
SENATE REPORTS: No. 95-170 (Comm. on Governmental Affairs) and No. 95-273 (Comm. on the Judiciary).
CONGRESSIONAL RECORD:
Vol. 123 (1977): June 27, considered and passed Senate.
Vol. 124 (1978): Sept. 20, 27, H.R. 1 considered and passed House; proceedings vacated and S. 555, amended, passed in lieu.
Oct. 7, Senate agreed to conference report.
Oct. 12, House agreed to conference report.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS:
Vol. 14, No. 43 (1978): Oct. 26, Presidential statement.

Public Law 95-522
95th Congress

An Act

Oct. 27, 1978
[H.R. 13481]

To name the post office and Federal building in Portland, Maine, the "Frederick G. Payne Building".

Frederick G. Payne Building, Maine. Designation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the post office and Federal building located at 151 Forest Avenue, Portland, Maine, shall hereafter be known as the "Frederick G. Payne Building". Any reference in any law, map, regulation, document, record, or other paper of the United States to such building shall be held to be a reference to the "Frederick G. Payne Building".

Approved October 27, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1471 (Comm. on Public Works and Transportation).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 18, considered and passed House.
Oct. 15, considered and passed Senate.

Public Law 95-523
95th Congress

An Act

To translate into practical reality the right of all Americans who are able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation; to assert the responsibility of the Federal Government to use all practicable programs and policies to promote full employment, production, and real income, balanced growth, adequate productivity growth, proper attention to national priorities, and reasonable price stability; to require the President each year to set forth explicit short-term and medium-term economic goals; to achieve a better integration of general and structural economic policies; and to improve the coordination of economic policymaking within the Federal Government.

Oct. 27, 1978
[H.R. 50]

Be is enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act and the following table of contents may be cited as the "Full Employment and Balanced Growth Act of 1978".

Full Employment and Balanced Growth Act of 1978.
15 USC 3101 note.

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GENERAL FINDINGS

15 USC 3101.

SEC. 2. (a) The Congress finds that the Nation has suffered substantial unemployment and underemployment, idleness of other productive resources, high rates of inflation, and inadequate productivity growth, over prolonged periods of time, imposing numerous economic and social costs on the Nation. Such costs include the following:

(1) The Nation is deprived of the full supply of goods and services, the full utilization of labor and capital resources, and the related increases in economic well-being that would occur under conditions of genuine full employment, production, and real income, balanced growth, a balanced Federal budget, and the effective control of inflation.

(2) The output of goods and services is insufficient to meet pressing national priorities.

(3) Workers are deprived of the job security, income, skill development, and productivity necessary to maintain and advance their standards of living.

(4) Business and industry are deprived of the production, sales, capital flow, and productivity necessary to maintain adequate profits, undertake new investment, create jobs, compete internationally, and contribute to meeting society's economic needs. These problems are especially acute for smaller businesses. Variations in the business cycle and low-level operations of the economy are far more damaging to smaller businesses than to larger business concerns because smaller businesses have fewer available resources, and less access to resources, to withstand nationwide economic adversity. A decline in small business enterprises contributes to unemployment by reducing employment opportunities and contributes to inflation by reducing competition.

(5) Unemployment exposes many families to social, psychological, and physiological costs, including disruption of family life, loss of individual dignity and self-respect, and the aggravation of physical and psychological illnesses, alcoholism and drug abuse, crime, and social conflicts.

(6) Federal, State, and local government budgets are undermined by deficits due to shortfalls in tax revenues and in increases in expenditures for unemployment compensation, public assistance, and other recession-related services in the areas of criminal justice, alcoholism and drug abuse, and physical and mental health.

(b) The Congress further finds that:

(1) High unemployment may contribute to inflation by diminishing labor training and skills, underutilizing capital resources, reducing the rate of productivity advance, increasing unit labor costs, and reducing the general supply of goods and services.

(2) Aggregate monetary and fiscal policies alone have been unable to achieve full employment and production, increased real income, balanced growth, a balanced Federal budget, adequate productivity growth, proper attention to national priorities, achievement of an improved trade balance, and reasonable price stability, and therefore must be supplemented by other measures designed to serve these ends.

(3) Attainment of these objectives should be facilitated by setting explicit short-term and medium-term economic goals, and by improved coordination among the President, the Congress, and the Board of Governors of the Federal Reserve System.

(4) Increasing job opportunities and full employment would greatly contribute to the elimination of discrimination based upon sex, age, race, color, religion, national origin, handicap, or other improper factors.

(c) The Congress further finds that an effective policy to promote full employment and production, increased real income, balanced growth, a balanced Federal budget, adequate productivity growth, proper attention to national priorities, achievement of an improved trade balance, and reasonable price stability should (1) be based on the development of explicit economic goals and policies involving the President, the Congress, and the Board of Governors of the Federal Reserve System, with maximum reliance on the resources and ingenuity of the private sector of the economy, (2) include programs specifically designed to reduce high unemployment due to recessions, and to reduce structural unemployment within regional areas and among particular labor force groups, and (3) give proper attention to the role of increased exports and improvement in the international competitiveness of agriculture, business, and industry in providing productive employment opportunities and achieving an improved trade balance.

(d) The Congress further finds that full employment and production, increased real income, balanced growth, a balanced Federal budget, adequate productivity growth, proper attention to national priorities, achievement of an improved trade balance through increased exports and improvement in the international competitiveness of agriculture, business, and industry, and reasonable price stability are important national requirements and will promote the economic security and well-being of all citizens of the Nation.

(e) The Congress further finds that the United States is part of an interdependent world trading and monetary system and that attainment of the requirements specified in subsection (d) is dependent upon policies promoting a free and fair international trading system and a sound and stable international monetary system.

REPORT

Full employment goal, study.
15 USC 3102.

SEC. 3. Not later than one year after the date of enactment of this Act, the Committee on Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives each shall conduct a study and submit a report, including findings and recommendations, to the Committee on Rules and Administration of the Senate and the Committee on Rules of the House, respectively, on the subject of establishing a full employment goal in connection with the provisions of this Act.

NATIONAL EMPLOYMENT CONFERENCE

Convening and organization.
15 USC 3103.

SEC. 4. (a) A national Employment Conference may be convened in the District of Columbia within a reasonable period of time after the date of enactment of the Full Employment and Balanced Growth Act of 1978. Responsibility for the organization and implementation of this conference shall rest with the President or the appropriate department or agency of the Federal Government, and the conference shall bring together leaders of small and larger business, labor, government, and all other interested parties.

(b) The subject of the conference shall be employment, with particular attention to structural unemployment and the plight of disadvantaged youth. The conference shall also focus on issues such as

implementation of adequate and effective incentives for private sector employers to hire the hard-core unemployed. Special attention shall be given to the creation of jobs through the use of targeted employment tax credits, wage vouchers, and other incentives to private sector businesses.

TITLE I—ESTABLISHMENT OF GOALS AND GENERAL ECONOMIC POLICIES

STATEMENT OF PURPOSE

15 USC 1021 note.

SEC. 101. It is the purpose of this title—

(1) to declare the general policies of this Act;

(2) to provide an open process under which economic goals and policies are proposed, reviewed, and established;

(3) to provide for yearly review of national economic policies to ensure their consistency with these goals to the maximum extent possible; and

(4) to strengthen and supplement the purposes and policies of the Employment Act of 1946.

15 USC 1021 note.

DECLARATION OF POLICY

15 USC 1021.

SEC. 102. Section 2 of the Employment Act of 1946 is amended to read as follows:

"SEC. 2. (a) The Congress hereby declares that it is the continuing policy and responsibility of the Federal Government to use all practicable means, consistent with its needs and obligations and other essential national policies, and with the assistance and cooperation of both small and larger businesses, agriculture, labor, and State and local governments, to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions which promote useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and promote full employment and production, increased real income, balanced growth, a balanced Federal budget, adequate productivity growth, proper attention to national priorities, achievement of an improved trade balance through increased exports and improvement in the international competitiveness of agriculture, business, and industry, and reasonable price stability as provided in section 5(b) of this Act.

Post, p. 1895.

"(b) The Congress further declares and establishes as a national goal the fulfillment of the right to full opportunities for useful paid employment at fair rates of compensation of all individuals able, willing, and seeking to work.

"(c) The Congress further declares that inflation is a major national problem requiring improved government policies relating to food, energy, improved and coordinated fiscal and monetary management, the reform of outmoded rules and regulations of the Federal Government, the correction of structural defects in the economy that prevent or seriously impede competition in private markets, and other measures to reduce the rate of inflation.

"(d) The Congress further declares that it is the purpose of the Full Employment and Balanced Growth Act of 1978 to improve the coordination and integration of the policies and programs of the Federal Government toward achievement of the objectives of such

Ante, p. 1887.

Act through better management, increased efficiency, and attention to long-range as well as short-range problems and to balancing the Federal budget.

"(e) The Congress further declares that, although it is the purpose under the Full Employment and Balanced Growth Act of 1978 to seek diligently and to encourage the voluntary cooperation of the private sector in helping to achieve the objectives of such Act, no provisions of such Act or this Act shall be used, with respect to any portion of the private sector of the economy, to provide for Federal Government control of production, employment, allocation of resources, or wages and prices, except to the extent authorized under other Federal laws.

Ante, p. 1887.

"(f) The Congress further declares that it is the purpose of the Full Employment and Balanced Growth Act of 1978 to maximize and place primary emphasis upon the expansion of private employment, and all programs and policies under such Act shall be in accord with such purpose. Toward this end, the effort to expand jobs to the full employment level shall be in this order of priority to the extent consistent with balanced growth—

"(1) expansion of conventional private jobs through improved use of general economic and structural policies, including measures to encourage private sector investment and capital formation;

"(2) expansion of private employment through Federal assistance in connection with the priority programs in such Act;

"(3) expansion of public employment other than through the provisions of section 206 of such Act; and

Post, p. 1902.

"(4) when recommended by the President under section 206 of such Act and subject to the limitations in such section, the creation of employment through the methods set forth in such section.

"(g) The Congress further declares that trade deficits are a major national problem requiring a strong national export policy including improved Government policies relating to the promotion, facilitation, and financing of commercial and agricultural exports, Government policies designed to reduce foreign barriers to exports through international negotiation and agreement, Federal support for research, development, and diffusion of new technologies to promote innovation in agriculture, business, and industry, the elimination or modification of Government rules or regulations that burden or disadvantage exports and the national and international competitiveness of agriculture, business, and industry, the reexamination of antitrust laws and policies when necessary to enable agriculture, business, and industry to meet foreign competition in the United States and abroad, and the achievement of a free and fair international trading system and a sound and stable international monetary order.

"(h) The Congress further declares that it is the purpose of the Full Employment and Balanced Growth Act of 1978 to achieve a balanced Federal budget consistent with the achievement of the medium-term goals specified in section 4.

Post, p. 1893.

"(i) The Congress further declares that it is the continuing policy and responsibility of the Federal Government, in cooperation with State and local governments, to use all practical means consistent with other essential considerations of national policy to provide sufficient incentives to assure meeting the investment needs of private enterprise, including the needs of small and medium sized businesses, in order to increase the production of goods, the provision of services, employment, the opportunity for profit, the payment of taxes, and to

reduce and control inflation. To the extent it is reasonably possible to do so, private enterprise investments in depressed urban and rural areas should be promoted to reduce the high levels of unemployment that exist there.

"(j) The Congress further declares that it is the purpose of the Full Employment and Balanced Growth Act of 1978 to rely principally on the private sector for expansion of economic activity and creation of new jobs for a growing labor force. Toward this end, it is the purpose of this Act to encourage the adoption of fiscal policies that would establish the share of the gross national product accounted for by Federal outlays at the lowest level consistent with national needs and priorities.".

Ante, p. 1887.

ECONOMIC REPORT OF THE PRESIDENT AND SHORT-TERM ECONOMIC GOALS AND POLICIES

SEC. 103. (a) The heading preceding section 3 and section 3(a) of the Employment Act of 1946 are amended to read as follows:

15 USC 1022.

"ECONOMIC REPORT OF THE PRESIDENT AND SHORT-TERM ECONOMIC GOALS AND POLICIES

Transmittal to Congress and States.

"SEC. 3. (a) The President shall transmit to the Congress during the first twenty days of each regular session, with copies transmitted to the Governor of each State and to other appropriate State and local officials, an economic report (hereinafter in this Act referred to as the 'Economic Report') together with the annual report of the Council of Economic Advisers submitted in accord with section 11(c) of this Act, setting forth—

"(1) the current and foreseeable trends in the levels of employment, unemployment, production, capital formation, real income, Federal budget outlays and receipts, productivity, international trade and payments, and prices, and a review and analysis of recent domestic and international developments affecting economic trends in the Nation;

"(2)(A) annual numerical goals for employment and unemployment, production, real income, productivity, and prices for the calendar year in which the Economic Report is transmitted and for the following calendar year, designated as short-term goals, which shall be consistent with achieving as rapidly as feasible the goals of full employment and production, increased real income, balanced growth, fiscal policies that would establish the share of an expanding gross national product accounted for by Federal outlays at the lowest level consistent with national needs and priorities, a balanced Federal budget, adequate productivity growth, price stability, achievement of an improved trade balance, and proper attention to national priorities; and

"(B) annual numerical goals as specified in subparagraph (A) for the three successive calendar years, designated as medium term goals;

"(3) employment objectives for certain significant subgroups of the labor force, including youth, women, minorities, handicapped persons, veterans, and middle-aged and older persons; and

"(4) a program for carrying out the policy declared in section 2, together with such recommendations for legislation as the President may deem necessary or desirable.".

Ante, p. 1890.

(b) Section 3 of the Employment Act of 1946 is amended by adding the following: 15 USC 1022.

"(d) For the purposes of the Full Employment and Balanced Growth Act of 1978, the percentage rate of unemployment as a percentage of the civilian labor force as set forth by the Bureau of Labor Statistics in the Department of Labor as computed under the procedures in effect as of the date of enactment of this Act. *Ante*, p. 1887.

"(e) For the purpose of the Full Employment and Balanced Growth Act of 1978, the terms 'inflation', 'prices', and 'reasonable price stability' refer to the rate of change or level of the consumer price index as set forth by the Bureau of Labor Statistics, United States Department of Labor." Definitions.

FULL EMPLOYMENT AND BALANCED GROWTH: MEDIUM-TERM ECONOMIC GOALS AND POLICIES

SEC. 104. The Employment Act of 1946 is amended by redesignating sections 4 and 5 as sections 10 and 11, respectively, and by inserting a new section 4 as follows: 15 USC 1023, 1024.

"FULL EMPLOYMENT AND BALANCED GROWTH: MEDIUM-TERM ECONOMIC GOALS AND POLICIES

"SEC. 4. (a) In each Economic Report after enactment of the Full Employment and Balanced Growth Act of 1978, the President shall incorporate (as part of the five-year numerical goals in each Economic Report) medium-term annual numerical goals specified in section 3(a)(2)(B), and in each President's Budget submitted immediately prior thereto, the President shall incorporate the programs and policies the President deems necessary to achieve such medium-term goals and a balanced Federal budget and to achieve reasonable price stability as rapidly as feasible as provided for in section 5(b) of this Act. 15 USC 1022a. *Ante*, p. 1892. *Post*, p. 1895.

"(b) The medium-term goals in the first three Economic Reports and, subject to the provisions of subsection (d), in each Economic Report thereafter shall include (as part of the five-year goals in each Economic Report) interim numerical goals for—

"(1) reducing the rate of unemployment, as set forth pursuant to section 3(d) of this Act, to not more than 3 per centum among individuals aged twenty and over and 4 per centum among individuals aged sixteen and over within a period not extending beyond the fifth calendar year after the first such Economic Report; and *Supra.*

"(2) reducing the rate of inflation, as set forth pursuant to section 3(e) of this Act, to not more than 3 per centum within a period not extending beyond the fifth calendar year after the first such Economic Report: *Provided*, That policies and programs for reducing the rate of inflation shall be designed so as not to impede achievement of the goals and timetables specified in clause (1) of this subsection for the reduction of unemployment. *Supra.*

For purposes of this subsection, the first Economic Report shall be the Report issued in the first calendar year after enactment of the Full Employment and Balanced Growth Act of 1978.

"(c)(1) Upon achievement of the 3 and 4 per centum goals specified in subsection (b)(1), each succeeding Economic Report shall have the goal of achieving as soon as practicable and maintaining thereafter full employment and a balanced budget.

"(2) Upon achievement of the 3 per centum goal specified in subsection (b)(2), each succeeding Economic Report shall have the goal of achieving by 1988 a rate of inflation of zero per centum: *Provided*, That policies and programs for reducing the rate of inflation shall be designed so as not to impede achievement of the goals and timetables specified in clause (1) of this subsection for the reduction of unemployment.

Review and corrective measures.

"(d) In the second Economic Report after enactment of the Full Employment and Balanced Growth Act of 1978, the President shall review the numerical goals and timetables for the reduction of unemployment and inflation and the goal of balancing the Federal budget; report to the Congress on the degree of progress being made, the programs and policies being used, and any obstacles to achieving such goals and timetables; and, if necessary, propose corrective economic measures toward achievement of such goals and timetables: *Provided*, That beginning with the second Report and in any subsequent Reports, if the President finds it necessary, the President may recommend modification of the timetable or timetables for the achievement of the goals provided for in subsection (b) and the annual numerical goals to make them consistent with the modified timetable or timetables, and the Congress may take such action as it deems appropriate consistent with title III of the Full Employment and Balanced Growth Act of 1978.

Ante, p. 1887.

Post, p. 1904.

"(e) If, after achievement of the 3 and 4 per centum goals specified in subsection (b), the unemployment rate for a year as set forth pursuant to section 3(d) of this Act is more than 3 per centum among individuals aged twenty and over or more than 4 per centum among individuals aged sixteen and over, the next Economic Report after such rate is set forth and each succeeding Economic Report shall include (as part of the five-year goals in each Economic Report) the interim numerical goal of reducing unemployment to not more than the levels specified in subsection (b)(1) as soon as practicable but not later than the fifth calendar year after the first such Economic Report, counting as the first calendar year the year in which such Economic Report is issued: *Provided*, That, if the President finds it necessary, the President may, under the authority provided in subsection (d), recommend modification of the timetable provided for in this subsection for the reduction of unemployment, and for the purposes of section 304 of the Full Employment and Balanced Growth Act of 1978, such recommendation by the President shall be treated as a recommendation made under subsection (d) of this section.

Ante, p. 1893.

Presidential recommendation.

Post, p. 1906.

"(f)(1) In taking action to reduce unemployment in accord with the numerical goals and timetable established under section (b), every effort shall be made to reduce those differences between the rates of unemployment among youth, women minorities, handicapped persons, veterans, middle-aged and older persons and other labor force groups and the overall rate of unemployment which are caused by any improper factors with the ultimate objective of removing such differentials to the extent possible.

"(2) Insofar as the differences specified in the preceding paragraph are due to lack of training and skills, occupational practices, and other relevant factors, the Secretary of Labor shall—

"(A) take such action as practicable to achieve the objectives of this subsection;

"(B) make studies, develop information, and make recommendations toward remedying these differences in rates of unemployment, and include these in the annual Employment and Training

Report of the President required under section 705(a) of the Comprehensive Employment and Training Act of 1973 (hereinafter in this Act referred to as 'CETA'); and *Post*, p. 2021.

"(C) make recommendations, as deemed necessary, to the Congress related to the objectives of this paragraph.

"(g)(1) The term 'middle-aged and older persons' as used in this section includes any individual forty-five years of age or older. Definitions.

"(2) For purposes of this subsection, the term 'veteran' shall mean the same as defined in section 2011(1) or (2)(A) of title 38, United States Code.".

PROVISIONS APPLICABLE TO SHORT-TERM AND MEDIUM-TERM GOALS

SEC. 105. The Employment Act of 1946 is amended by adding a new section 5 as follows:

"PROVISIONS APPLICABLE TO SHORT-TERM AND MEDIUM-TERM GOALS

"SEC. 5. (a) To aid in determining the short-term and medium-term goals for employment, production, real income, and prices, analysis shall be presented in the Economic Report with respect to major aspects of the appropriate composition or structure of each goal, and as to the appropriate apportionment of total national production among its major components (private investment, consumer expenditures, and public outlays) as affected by relative income flows and other factors, in order to promote balanced growth and a balanced Federal budget, reduce cyclical disturbances, and achieve the other purposes of this Act and the Full Employment and Balanced Growth Act of 1978. Analysis. 15 USC 1022b. *Ante*, p. 1887.

"(b) In choosing means to achieve the goal for the reduction of unemployment and choosing means to achieve the goal of reasonable price stability, those means which are mutually reinforcing shall be used to the extent practicable.".

NATIONAL PRIORITY POLICIES AND PROGRAMS REQUIRED FOR FULL EMPLOYMENT AND BALANCED GROWTH

SEC. 106. The Employment Act of 1946 is amended by adding a new section 6 as follows:

"NATIONAL PRIORITY POLICIES AND PROGRAMS REQUIRED FOR FULL EMPLOYMENT AND BALANCED GROWTH

"SEC. 6. To contribute to the achievement of the goals under the Full Employment and Balanced Growth Act of 1978, the President's Budget for each fiscal year beginning after the date of enactment of the Full Employment and Balanced Growth Act of 1978 shall include priority policies and programs, which shall include, to the extent deemed appropriate by the President, consideration of the following— 15 USC 1022c.

"(A) development of energy sources and supplies, transportation, and environmental improvement;

"(B) proper attention to the problems and needs of smaller businesses including (i) the availability of investment capital, management and technical expertise, and technology and labor needs, (ii) analysis of economic and social trends which may affect smaller businesses, (iii) government policies and programs

(including agency regulations and excessive paperwork requirements) that may create undue hardship for or reduce the competitiveness of smaller businesses, and (iv) other policies and programs to remove barriers to competition and to strengthen and promote the creation and growth of smaller businesses;

"(C) development of a comprehensive national agricultural policy that assures—

"(i) production levels adequate to meet the nutritional needs of all Americans and respond to rising food requirements throughout the world;

"(ii) farm and ranch income at full parity levels that will improve opportunities for farm families, encourage production, provide for essential capital investment in farming, and provide for farm prices at full parity in the market place;

"(iii) renewed commitment to the protection and conservation of rural land and water through support for improved conservation practices and research, and attention to agricultural land use in the formulation of plans for energy, water and mineral resources, transportation, and commercial, industrial, and residential development; and

"(iv) support for programs and public services designed to respond to the unique economic and social conditions of rural communities;

"(D) proper attention to the relationship between Federal programs and policies and the problems and needs of urban areas, including inner cities and the employment problems of their residents, especially youths;

"(E) proper attention to the quality and quantity of health care, education and training programs, child care and other human services, and housing, essential to a full employment economy and to moving toward their availability for all individuals at costs within their means;

"(F) policies concerning Federal aid to State and local governments, especially for public investment and unemployment related costs;

"(G) national defense and other needed international programs;

"(H) proper attention to the relationship between Federal grants, contracts, and procurement and the closure of military bases and other Federal facilities and the distribution of jobs and income among different regions of the Nation, and among urban, suburban, and rural areas;

"(I) Proper attention to balancing the Federal budget;

"(J) proper attention to the dislocation of jobs caused by Federal laws, regulations, and policies;

"(K) policies and programs designed to increase exports and improve the international competitive position of agriculture, business, and industry, including measures to promote a free and fair international trading system, a sound and stable international monetary system and innovation in agriculture, business, and industry;

"(L) such other priority policies and programs as the President deems appropriate.".

THE PRESIDENT'S BUDGET

SEC. 107. The Employment Act of 1946 is amended by inserting a new section 7 as follows:

"THE PRESIDENT'S BUDGET

"SEC. 7. (a) The President's Budget shall recommend levels of outlays and receipts which shall be consistent with the short-term economic goals of section 3(a)(2)(A). 15 USC 1022d.

Ante, p. 1892.

"(b) The President's Budget shall provide five-year projections of outlays and receipts consistent with the medium-term goals of section 4(b).

Ante, p. 1893.

"(c) The principal elements in the President's Budget shall be set forth briefly in each Economic Report, toward the end of making clear the relationship between the President's Budget and the goals and policies set forth in such Economic Report. Both the expenditure and revenue elements of the President's Budget shall be developed to promote the purposes, policies, and goals of the Full Employment and Balanced Growth Act of 1978. The size of the President's expenditure and revenue proposals, and the relationships between such proposals, shall be determined in a manner which gives consideration to the needs of the economy and the people in the priority areas set forth in section 6, and the relationship between the President's expenditure and revenue proposals shall be guided accordingly.".

Ante, p. 1887.

MONETARY POLICY

SEC. 108. (a) Section 2A of the Federal Reserve Act is amended by striking out the second and third sentences and inserting in lieu thereof the following: "In furtherance of the purposes of the Full Employment and Balanced Growth Act of 1978, the Board of Governors of the Federal Reserve System shall transmit to the Congress, not later than February 20 and July 20 of each year, independent written reports setting forth (1) a review and analysis of recent developments affecting economic trends in the Nation; (2) the objectives and plans of the Board of Governors and the Federal Open Market Committee with respect to the ranges of growth or diminution of the monetary and credit aggregates for the calendar year during which the report is transmitted, taking account of past and prospective developments in employment, unemployment, production, investment, real income, productivity, international trade and payments, and prices; and (3) the relationship of the aforesaid objectives and plans to the short-term goals set forth in the most recent Economic Report of the President pursuant to section 3(a)(2)(A) of the Employment Act of 1946 and to any short-term goals approved by the Congress. In addition, as a part of its report on July 20 of each year, the Board of Governors shall include a statement of its objectives and plans with respect to the ranges of growth or diminution of the monetary and credit aggregates for the calendar year following the year in which the report is submitted. The reports required under the two preceding sentences shall be transmitted to the Congress and shall be referred in the Senate to the Committee on Banking, Housing, and Urban Affairs, and in the House of Representatives to the Committee on Banking, Finance and Urban Affairs. The Board shall consult with each such Committee on the reports and, thereafter, each such Committee shall submit to its respective body a report containing its views and recommendations with respect to the Federal Reserve's intended policies. Nothing in this Act shall be interpreted to require that the objectives and plans with respect to the ranges of growth or diminution of the monetary and credit aggregates disclosed in the reports submitted under this section be achieved if the Board

Annual reports to Congress.
12 USC 225a.

Transmittals to congressional committees, consultation and report.

of Governors and the Federal Open Market Committee determine that they cannot or should not be achieved because of changing conditions: *Provided*, That in the subsequent consultations with, and reports to, the aforesaid Committees of the Congress pursuant to this section, the Board of Governors shall include an explanation of the reasons for any revisions to or deviations from such objectives and plans.".

Effective date.
12 USC 225a note.

(b) The amendment made by subsection (a) takes effect on January 1, 1979.

OVERCOMING INFLATION

SEC. 109. The Employment Act of 1946 is amended by inserting a new section 8 as follows:

"OVERCOMING INFLATION

15 USC 1022e.

"SEC. 8. (a) The Congress hereby determines that the objective of achieving reasonable price stability as soon as feasible, as set forth in section 3(a)(3) and section 4(a), shall be pursued by the methods and subject to the requirements of section 5(b).

Ante, pp. 1892, 1893.
Ante, p. 1895.

"(b) The Congress finds that sole dependence upon fiscal or monetary policies or both to combat inflation can exacerbate both inflation and unemployment. The Congress finds that the coordinated use of fiscal and monetary policies in conjunction with specific targeted policies are necessary to combat inflation.

Policy initiation and recommendations.

"(c) The President shall initiate specific policies to reduce the rate of inflation, including recommendations to the Congress where necessary, and include recommendations within the Economic Report and the President's budget to the extent practicable. Structural policies to reduce the rate of inflation may include—

"(1) an effective information system to monitor and analyze inflationary trends in individual economic sectors, so that the President and Congress can be alerted to developing inflation problems especially those caused by bottlenecks inhibiting the flow of goods and services;

"(2) programs and policies for alleviating shortages of goods, services, labor, and capital, with particular emphasis on food, energy, and critical industrial materials to aid in stabilizing prices;

"(3) the establishment of stockpiles of agricultural commodities and other critical materials to help stabilize prices, meet emergency needs, and promote adequate income to producers;

"(4) encouragement to labor and management to increase productivity within the national framework of full employment through voluntary arrangements in industries and economic sectors;

"(5) recommendations to increase competition in the private sector and to improve the economic climate for the creation and growth of smaller businesses, including recommendations to strengthen and enforce the antitrust laws, the patent laws, and the internal revenue laws and regulations;

"(6) removal or proper modification of such Government restrictions and regulations as add unnecessarily to inflationary costs;

"(7) increasing exports and improving the international competitive position of agriculture, business, and industry; and

"(8) such other administrative actions and recommendations for legislation as the President deems desirable, to promote reasonable price stability.".

COUNCIL OF ECONOMIC ADVISERS

SEC. 110. (a) Section 10 of the Employment Act of 1946 (as redesignated by section 104 of this Act) is amended— 15 USC 1023. *Ante*, p. 1893.

(1) in the second sentence of subsection (a), by inserting "full" immediately after "promote";

(2) in subsection (c)(4), by inserting "including small and larger business" immediately after "enterprise" and by inserting "full" immediately after "maintain";

(3) in subsection (e)(1), by inserting immediately before the semicolon a comma and the following: "and shall consult with the board or boards established under section 9"; and

(4) in subsection (e), by inserting after paragraph (2) the following:

"In its work under this Act and the Full Employment and Balanced Growth Act of 1978, the Council is authorized and directed to seek and obtain the cooperation of the various executive and independent agencies in the development of specialized studies essential to its responsibilities.". *Ante*, p. 1887.

ADVISORY BOARD OR BOARDS

SEC. 111. (a) The Employment Act of 1946 is amended by inserting a new section 9 as follows:

"ADVISORY BOARD OR BOARDS

"SEC. 9. (a) An advisory board or boards (including regional advisory boards) may be established as the President deems appropriate, to advise and consult periodically with one or more of the following: The President, the Council of Economic Advisers, and such other departments and agencies of the executive branch of the Federal Government as the President shall determine. Establishment and duties. 15 USC 1022f.

"(b) Such advisory board or boards shall include appropriate representation of labor, small and larger businesses and industries, agriculture, consumers, State and local officials, and the public at large, and shall advise and consult with respect to matters related to this Act, the Full Employment aand Balanced Growth Act of 1978, and other appropriate matters related to national economic programs and policies. The President shall, in accordance with applicable provisions of law, take the steps necessary to provide appropriate compensation to the members of such advisory board or boards.". Membership.

TITLE II—STRUCTURAL ECONOMIC POLICIES AND PROGRAMS, INCLUDING TREATMENT OF RESOURCE RESTRAINTS

STATEMENT OF PURPOSE

SEC. 201. The Congress recognizes that general economic policies alone have been unable to achieve the goals set forth in this Act related to full employment, production, and real income, balanced growth, adequate growth in productivity, proper attention to national priorities, achievement of an improved trade balance through increased exports and improvement in the international competitiveness of agri- 15 USC 3111.

culture, business, and industry, and achievement of reasonable price stability as provided for in section 5(b) of the Employment Act of 1946. It is, therefore, the purpose of this title to require the President to initiate, as the President deems appropriate, with recommendations to the Congress where necessary, supplementary programs and policies to the extent that the President finds such action necessary to help achieve these goals, including the goals and timetable for the reduction of unemployment. Insofar as feasible without undue delay, any policies and programs so recommended shall be included in the Economic Report.

Ante, p. 1895.
Policies and programs, initiation.

COUNTERCYCLICAL EMPLOYMENT POLICIES

15 USC 3112.

SEC. 202. (a) Any countercyclical efforts undertaken to aid in achieving the purposes of section 201 shall consider for inclusion the following programmatic entities:

(1) accelerated public works, including the development of standby public works projects;

(2) public service employment;

(3) State and local grant programs;

(4) the levels and duration of unemployment insurance;

(5) skill training in both the private and public sectors, both as a general remedy and as a supplement to unemployment insurance;

(6) youth employment programs as specified in section 205;

(7) community development programs to provide employment in activities of value to the States, local communities (including rural areas), and the Nation;

(8) Federal procurement programs which are targeted on labor surplus areas; and

(9) augmentation of other employment and training programs which would help to reduce high levels of unemployment arising from cyclical causes.

(b) In any countercyclical efforts undertaken, the President shall consider a triggering mechanism which will implement the program during a period of rising unemployment and phase out the program when unemployment is appropriately reduced, and incorporate effective means to facilitate individuals assisted under programs developed pursuant to this section to return promptly to regular private and public employment as the economy recovers.

COORDINATION WITH STATE AND LOCAL GOVERNMENT AND PRIVATE SECTOR ECONOMIC ACTIVITY

15 USC 3113.

SEC. 203. (a) As an integral part of any countercyclical employment policies undertaken in accord with section 202, the President shall, to the extent the President deems necessary, set forth programs and policies, including recommended legislation where needed, to coordinate economic action among the Federal Government, regions, States and localities, and the private sector to promote achievement of the purposes of this Act and the Employment Act of 1946 and an economic environment in which State and local governments and private sector economic activity and employment will prosper. In considering programs and policies related to the private sector, full consideration shall be given to promoting the growth and well-being of small businesses and employment training programs through private sector incentives.

15 USC 1021 note.

(b) In any efforts under this section, the President shall endeavor to meet criteria that establish programs which are funded to take account of the fiscal needs and budget conditions of the respective States and localities and their own efforts, with special attention to the rates of unemployment in such States and localities.

REGIONAL AND STRUCTURAL EMPLOYMENT POLICIES

SEC. 204. (a) To the extent deemed appropriate by the President in fulfillment of the purposes of section 201, the President shall recommend legislation to the Congress if necessary, regional and structural employment policies and programs. Legislative recommendations. 15 USC 3114.

(b) In formulating the regional components of any such programs, the President shall encourage to the extent the President deems necessary, new private sector production and employment to locate within depressed localities and regions with substantial unemployment and to aid in stabilizing their economic base. To the extent feasible, such policies and programs shall foster the establishment and growth of smaller businesses in such localities and regions. Any regional employment proposal of the President shall also include an analysis of the extent to which Federal tax, expenditure (including procurement of goods and services), defense, transportation, energy, natural resources and employment policies have influenced the movement of people, jobs, and small and larger business and industries from chronic high unemployment regions and areas, and proposals designed to correct Federal policies that have an adverse economic impact upon such regions and areas. Analysis, inclusion.

YOUTH EMPLOYMENT POLICIES

SEC. 205. (a) The Congress finds and declares— 15 USC 3115.

(1) That serious unemployment and economic disadvantage of a unique nature exist among youths even under generally favorable economic conditions;

(2) that this group constitutes a substantial portion of the Nation's unemployment, and that this significantly contributes to crime, alcoholism and drug abuse, and other social and economic problems; and

(3) that many youths have special employment needs and problems which, if not promptly addressed, will substantially contribute to more severe unemployment problems in the long run.

(b) To the extent deemed necessary in fulfillment of the purposes of this Act, the President shall improve and expand existing youth employment programs, recommending legislation where required. In formulating any such program, the President shall—

(1) include provisions designed to fully coordinate youth employment activities with other employment and training programs;

(2) develop a smoother transition from school to work;

(3) prepare disadvantaged and other youths with employability handicaps for regular self-sustaining employment;

(4) develop realistic methods for combining training with work; and

(5) develop provisions designed to attract structurally unemployed youth into productive full-time employment through incentives to private and independent sector businesses;

JOB TRAINING, COUNSELING AND RESERVOIRS OF EMPLOYMENT PROJECTS

Policies, procedures and recommendations.
15 USC 3116.
15 USC 1021 note.

SEC. 206. (a) Further to promote achievement of full employment under this Act and the Employment Act of 1946, the President, through the Secretary of Labor, shall develop policies and procedures and, as necessary, recommend programs for providing employment opportunities to individuals aged 16 and over in the civilian labor force who are able, willing, and seeking to work but who, despite serious efforts to obtain employment, remain unemployed.

(b) In meeting the responsibilities under subsection (a), the Secretary of Labor shall, as appropriate, fully utilize the authority provided under CETA and other relevant provisions of law to—

(1) assure the availability of counseling, training, and other support activities necessary to prepare persons willing and seeking work for employment (including use of section 110 of CETA when necessary);

Post, p. 1930.

(2) refer persons able, willing, and seeking to work to job opportunities in the private and public sectors through the existing public employment placement facilities and through the United States Employment Service of the Department of Labor, including job opportunities in any positions created under programs established pursuant to sections 202, 204, and 205 of this Act; and

(3) encourage flexi-time and part-time jobs for persons who are able, willing, and seeking employment but who are unable to work a standard workweek.

Project reservoirs, establishment.

(c)(1) To the extent that individuals aged sixteen and over and able, willing, and seeking to work are not and in the judgment of the President cannot be provided with private job opportunities or job opportunities under other programs and actions in existence, in accord with the goals and timetables set forth in the Employment Act of 1946, the President shall, as may be authorized by law, establish reservoirs of public employment and private nonprofit employment projects, to be approved by the Secretary of Labor, through expansion of CETA and other existing employment and training projects or through such new programs as are determined necessary by the President or through both such projects and such programs.

(2) New programs as may be authorized by law after the date of enactment of this Act referred to in paragraph (c)(1)—

(A) shall not be put into operation earlier than two years after the enactment of this Act, nor without a finding by the President, transmitted to the Congress, that other means of employment are not yielding enough jobs to be consistent with attainment of the goals and timetables for the reduction of unemployment set forth in the Employment Act of 1946;

(B) shall be designed so that no workers from private employment are drawn into the reservoir projects thereunder;

(C) shall be useful and productive jobs;

(D) shall be mainly in the lower ranges of skills and pay, and toward this end the number of reservoir jobs under such new programs shall, to the extent practicable, be maximized in relationship to the appropriations provided for such jobs;

(E) shall be targeted on areas of high unemployment and on individuals who are structurally unemployed;

(F) shall be phased in by the President as necessary, in conjunction with the employment goals under sections 3(a)(2) and 4(b) of the Employment Act of 1946.

Ante, pp. 1892, 1893.

(d) The Secretary, in carrying out the provisions of this section, shall establish regulations providing for— Regulations.

(1) an initial determination of the job seeker's ability to be employed at certain types and duration of work, so that such individual may be appropriately referred to jobs, training, counseling, and other supportive services;

(2) compliance with the nondiscrimination provisions of this Act in accordance with section 401; *Post*, p. 1907.

(3) appropriate eligibility criteria to determine the order of priority of access of any person to any new programs under subsection (c) as may be authorized by law including but not necessarily limited to (A) household income, duration of unemployment (not less than five weeks), and the number of people economically dependent upon such person; and (B) denial of access to any person refusing to accept or hold a job except for good cause, as determined by the Secretary of Labor, including refusal to accept or hold a job subject to reference under subsection (b) paragraph (2), in order to seek a reservoir project job under subsection (c); and

(4) such administrative appeal procedures as may be appropriate to review the initial determination of the abilities of persons willing, able, and seeking to work under paragraph (1) of this subsection and the employment need and eligibility under paragraph (3) of this subsection.

CAPITAL FORMATION—PRIVATE AND PUBLIC

SEC. 207. (a) The Congress finds that— 15 USC 3117.

(1) promotion of full employment and balanced growth is in itself a principal avenue to high and sustained rates of capital formation;

(2) high rates of capital formation are necessary to ensure adequate rates of capacity expansion and productivity growth, compliance with governmental health, safety and environmental standards, and the replacement of obsolete production equipment;

(3) the ability of our economy to compete successfully in international markets, the development of new technology, improved working conditions, expanding job opportunities, and an increasing standard of living depend on the availability of adequate capital at reasonable cost to commerce and industry;

(4) an important goal of national policy shall be to remove obstacles to the free flow of resources into new investment, particularly those obstacles that hinder the creation and growth of smaller businesses because general national programs and policies to aid and stimulate private enterprise are not sufficient to deal with the special problems and needs of smaller businesses; and

(5) while private business firms are, and should continue to be, the major source of investment, the investment activities of the Federal, State, and local governments play an important role in affecting the level of output, employment, and productivity and in achieving other national purposes.

(b) The Economic Report shall include an Investment Policy Report which shall, as appropriate, (1) review and assess existing Federal Government programs and policies which affect business investment decisions, including, but not limited to, the relevant aspects Investment Policy Report, inclusion.

of the tax code, Federal expenditure policy, Federal regulatory policy, international trade policy, and Federal support for research, development, and diffusion of new technologies; (2) provide an assessment of the levels of investment capital available, required by, and applied to small, medium and large business entities; (3) provide an analysis of current and foreseeable trends in the level of investment capital available to such entities; and (4) provide a description of programs and proposals for carrying out the policy set forth in section 102(i). In addition, the Economic Report shall include an assessment of the effect of the overall economic policy environment and the rate of inflation on business investment. The President shall recommend in the President's Budget, as appropriate, new programs or modifications to improve existing programs concerned with private capital formation. The President shall also transmit to the Congress as part of the President's Budget such other recommendations as the President may deem necessary or desirable to achieve the policy as set forth in section 102(i). The Investment Policy Report, when transmitted to the Congress, shall be referred to the Joint Economic Committee.

Assessment.

Recommendations.

Referral to congressional committee.

(c) The Economic Report referred to in subsection (b) shall review and assess Federal policies and programs which directly, or through grants-in-aid to State and local governments, or indirectly through other means, affect the adequacy, composition and effectiveness of public investments, as a means of achieving the goals of this Act and the Employment Act of 1946. The President shall recommend, as appropriate, new programs and policies or modifications to improve existing Federal programs affecting public investment.

15 USC 1021 note.

TITLE III—POLICIES AND PROCEDURES FOR CONGRESSIONAL REVIEW

STATEMENT OF PURPOSE

15 USC 3131.

SEC. 301. (a) The purposes of this title are to establish procedures for congressional review and action with respect to the Economic Report of the President (hereafter in this title referred to as the "Economic Report"), the report of the Board of Governors of the Federal Reserve System, and the other policies and provisions of this Act and the Employment Act of 1946.

Legislative action.

(b) The Congress shall initiate or develop such legislation as it deems necessary to implement proposals and objectives pursuant to this Act and the Employment Act of 1946 after such modification in such proposals at it deems desirable. Nothing in this title shall be construed to prevent the Congress or any of its committees from considering or initiating at any time legislative action in furtherance of the goals and purposes of this act.

COMMITTEE REVIEW

15 USC 3132.

SEC. 302. (a) In conjunction with its review of the Economic Report, and the holding of hearings on the Economic Report under the Employment Act of 1946, the Joint Economic Committee shall review and analyze the short-term and medium-term goals set forth in the Economic Report pursuant to sections 3(a)(2) and 4(b) of the Employment Act of 1946 (as amended by sections 103 and 104 of this Act).

Ante, pp. 1892, 1893.

(b) The Joint Economic Committee shall hold hearings on the Economic Report for the purpose of receiving testimony from Members of the Congress, and such appropriate representatives of Federal departments and agencies, the general public, and interested groups as the joint committee deems advisable. The joint committee shall also consider the comments and views on the Economic Report which are received from State and local officials. Hearings.

(c) Within thirty days after receipt by the Congress of the Economic Report, each standing committee of the Senate and the House of Representatives, each other committee of the Senate and the House of Representatives which has legislative jurisdiction, and each joint committee of the Congress may submit to the Joint Economic Committee, for use by the Joint Economic Committee in conducting its review and analysis under subsection (a), a report containing the views and recommendations of the submitting committee with respect to aspects of the Economic Report which relate to its jurisdiction. Report.

(d) On or before March 15 of each year, a majority of the members of the Joint Economic Committee shall submit a report to the Committees on the Budget of the Senate and the House of Representatives. Such report shall include findings, recommendations, and any appropriate analyses with respect and in direct comparison to each of the short-term and medium-term goals set forth in the Economic Report. Report.

REVIEW OF ECONOMIC REPORT AS PART OF CONGRESSIONAL BUDGET PROCESS

SEC. 303. (a) Section 301(c) of the Congressional Budget Act of 1974 is amended— 31 USC 1322.

(1) by inserting after the first sentence the following new sentences: "Each of the recommendations as to short-term and medium-term goals set forth in the report submitted by the members of the Joint Economic Committee under subsection (c) may be considered by the Committee on the Budget of each House as part of its consideration of such concurrent resolution, and its report may reflect its views thereon, and on how the estimates of revenues and levels of budget authority and outlays set forth in such concurrent resolution are designed to achieve any goals it is recommending."; and

(2) by inserting "also" after "shall" in the last sentence.

(b) Section 305(a) of such Act is amended— 31 USC 1326.

(1) by inserting before the period at the end of the first sentence of paragraph (2) a comma and "plus such additional hours of debate as are consumed pursuant to paragraph (3)";

(2) by redesignating paragraphs (3) through (6) as paragraphs (6) through (9) respectively; and

(3) by inserting after paragraph (2) the following new paragraphs:

"(3) Following the presentation of opening statements on the first concurrent resolution on the budget for a fiscal year by the chairman and ranking minority member of the Committee on the Budget of the House, there shall be a period of up to four hours for debate on economic goals and policies.

"(4) Only if a concurrent resolution on the budget reported by the Committee on the Budget of the House sets forth the economic goals (as described in sections 3(a)(2) and 4(b) of the Full Employment Act of 1946) which the estimates, amounts, and levels (as described in section 301(a)) set forth in such resolution are designed to achieve, *Ante*, pp. 1892, 1893.

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shall it be in order to offer to such resolution an amendment relating to such goals, and such amendment shall be in order only if it also proposes to alter such estimates, amounts, and levels in germane fashion in order to be consistent with the goals proposed in such amendment.".

31 USC 1326.

(c) Section 305(b) of such Act is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (6) and (7), respectively; and

(2) by inserting after paragraph (2) the following new paragraphs:

"(3) Following the presentation of opening statements on the first concurrent resolution on the budget for a fiscal year by the chairman and ranking minority member of the Committee on the Budget of the Senate, there shall be a period of up to four hours for debate on economic goals and policies.

"(4) Only if a concurrent resolution on the budget reported by the Committee on the Budget of the Senate sets forth the economic goals (as described in sections 3(a)(2) and 4(b) of the Employment Act of 1946), which the estimates, amounts, and levels (as described in section 301(a)) set forth in such resolution are designed to achieve, shall it be in order to offer to such resolution an amendment relating to such goals, and such amendment shall be in order only if it also proposes to alter such estimates, amounts, and levels in germane fashion in order to be consistent with the goals proposed in such amendment.".

Ante, pp. 1892, 1893.

MODIFICATION OF TIMETABLE FOR ACHIEVING UNEMPLOYMENT GOALS

SEC. 304. (a) Section 301(a) of the Congressional Budget Act of 1974 is amended—

31 USC 1322.

(1) by striking out "and" at the end of paragraph (5); and

(2) by renumbering paragraph (6) as (7) and inserting after paragraph (5) the following new paragraph:

"(6) if required by subsection (e), the calendar year in which, in the opinion of the Congress, the goals for reducing unemployment set forth in section 4(b) of the Employment Act of 1946 should be achieved; and".

(b) Section 301 of such Act is amended by adding at the end thereof the following new subsection:

"(e) ACHIEVEMENT OF GOALS FOR REDUCING UNEMPLOYMENT.—

"(1) If, pursuant to section 4(c) of the Employment Act of 1946, as amended, the President recommends in the Economic Report that the goals for reducing unemployment set for in section 4(b) of such Act be achieved in a year after the close of the five-year period prescribed by such subsection, the first concurrent resolution on the budget for the fiscal year beginning after the date on which such Economic Report is received by the Congress may set forth the year in which, in the opinion of the Congress, such goals can be achieved.

Ante, p. 1893.

"(2) After the Congress has expressed its opinion pursuant to paragraph (1) as to the year in which the goals for reducing unemployment set forth in section 4(b) of the Employment Act of 1946, as amended, can be achieved, if, pursuant to section 4(e) of such Act, the President recommends in the Economic Report that such goals be achieved in a year which is different from the year in which the Congress has expressed its opinion that such goals should be achieved, either in its action pursuant to para-

Ante, p. 1894.

graph (1) or its most recent action pursuant to this paragraph, the first concurrent resolution on the budget for the fiscal year beginning after the date on which such Economic Report is received by the Congress may set forth the year in which, in the opinion of the Congress, such goals can be achieved.

"(3) It shall be in order to amend the provision of such resolution setting forth such year only if the amendment thereto also proposes to alter the estimates, amounts, and levels (as described in section 301(a)) set forth in such resolution in germane fashion in order to be consistent with the economic goals (as described in sections 3(a)(2) and 4(b) of the Employment Act of 1946) which such amendment proposes can be achieved by the year specified in such amendment.".

31 USC 1322.

Ante, pp. 1892, 1893.

EXERCISE OF RULEMAKING POWERS

SEC. 305. (a) The Provisions of this title and the amendments made by such provisions are enacted by the Congress—

15 USC 3133.

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House), at any time, in the same manner and to the same extent as in the case of any other rule of such House.

TITLE IV—GENERAL PROVISIONS

NONDISCRIMINATION

SEC. 401. (a) No person in the United States shall on the ground of sex, age, race, color, religion, national origin or handicap be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded pursuant to the implementation of this Act, including membership in any structure created by this Act.

15 USC 3151.

(b) Whenever the Secretary of Labor determines that a recipient of funds made available pursuant to this Act has failed to comply with subsection (a), or an applicable regulation, the Secretary shall notify the recipient of the noncompliance and shall request such recipient to secure compliance. If within a reasonable period of time, not to exceed sixty days, the recipient fails or refuses to secure compliance, the Secretary of Labor may—

Noncompliance, notification.

Remedies.

(1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

(2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) or

(3) take such other action as may be provided by law.

(c) When a matter is referred to the Attorney General pursuant to subsection (b), or whenever the Attorney General has reason to believe that a recipient is engaged in a pattern or practice in violation of the provisions of this section, the Attorney General may bring a civil action in the appropriate United States district court for any and all appropriate relief.

Enforcement, analysis.

(d) To assist and evaluate the enforcement of this section, and the broader equal employment opportunity policies of this Act, the Secretary of Labor shall include, in the annual Employment and Training Report of the President provided under section 705(a) of CETA, a detailed analysis of the extent to which the enforcement of this section achieves positive results in both the quantity and quality of jobs, and for employment opportunities generally.

Post, p. 2012.

LABOR STANDARDS

15 USC 3152.

SEC. 402. (a) Any new program enacted and funded pursuant to the implementation of this Act shall, subject to any limitations on maximum annual compensation as may be provided in the law authorizing such programs, provide that persons employed are paid equal wages for equal work, and that such policies and programs create a net increase in employment through work that would not otherwise be done or are essential to fulfill national priority purposes.

(b) Any person employed in any reservoir project enacted and funded pursuant to the implementation of section 206(c)(1), or in any other job created pursuant to implementation of this Act, shall, subject to any limitations on maximum annual compensation as may be provided in the law authorizing such programs, be paid not less than the pay received by others performing the same type of work for the same employer, and in no case less than the minimum wage under the Fair Labor Standards Act of 1938. No person employed in any reservoir project enacted and funded pursuant to implementation of section 206(c)(1) shall perform work of the type to which the Davis-Bacon Act (40 U.S.C. 276a—276a-5) applies, except as otherwise may be specifically authorized by law.

29 USC 201.

(c) Any recommendation by the President for legislation to implement any program enacted pursuant to the provisions of this Act, requiring the use of funds under this Act, and submitted pursuant to the requirements of this Act, shall contain appropriate wage provisions based upon existing wage standard legislation.

Approved October 27, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-895, Pt. I (Comm. on Education and Labor) and Pt. II (Comm. on Rules).

SENATE REPORTS: No. 95-1177 accompanying S. 50 (Comm. on Human Resources) and (Comm. on Banking, Housing, and Urban Affairs).

CONGRESSIONAL RECORD, Vol. 124 (1978):

Mar. 8, 9, 15, 16, considered and passed House.

Oct. 10, 11, 13, considered and passed Senate, amended.

Oct. 15, House agreed to Senate amendment.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 43:

Oct. 27, Presidential statement.

Public Law 95-524
95th Congress

An Act

To amend the Comprehensive Employment and Training Act of 1973 to provide improved employment and training services, to extend the authorization, and for other purposes.

Oct. 27, 1978
[S. 2570]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Comprehensive Employment and Training Act Amendments of 1978".

Comprehensive Employment and Training Act Amendments of 1978.
29 USC 801 note.

COMPREHENSIVE EMPLOYMENT AND TRAINING ACT REAUTHORIZATION

SEC. 2. The Comprehensive Employment and Training Act of 1973 is amended to read as follows:

"SHORT TITLE

"SECTION 1. This Act, with the following table of contents, may be cited as the 'Comprehensive Employment and Training Act'. 29 USC 801 note.

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"STATEMENT OF PURPOSE

29 USC 801.

"SEC. 2. It is the purpose of this Act to provide job training and employment opportunities for economically disadvantaged, unemployed, or underemployed persons which will result in an increase in their earned income, and to assure that training and other services lead to maximum employment opportunities and enhance self-sufficiency by establishing a flexible, coordinated, and decentralized system of Federal, State, and local programs. It is further the purpose of this Act to provide for the maximum feasible coordination of plans, programs, and activities under this Act with economic development, community development, and related activities, such as vocational education, vocational rehabilitation, public assistance, self-employment training, and social service programs.

"DEFINITIONS

29 USC 802.

"SEC. 3. As used in this Act—

"(1) The term 'academic credit' means credit for education, training, or work experience applicable toward a secondary school

diploma, a postsecondary degree, or an accredited certificate of completion, consistent with applicable State law, regulation, and policy and the requirements of an accredited educational agency or institution in a State.

"(2)(A) Except as provided in subparagraph (B), the term 'area of substantial unemployment' means any area of sufficient size and scope to sustain a public service employment program and which has an average rate of unemployment of at least 6.5 percent for the most recent 12 months as determined by the Secretary.

"(B) With respect to determinations made for fiscal year 1979, and for parts A, B, and C of title II for any fiscal year, such term means any area of sufficient size and scope to sustain such a program and which has an average rate of unemployment of at least 6.5 percent for any 3 consecutive months within the most recent 12-month period as determined by the Secretary. *Post*, pp. 1950, 1954, 1956.

"(C) Determinations of areas of substantial unemployment shall be made once each fiscal year.

"(3) The term 'artificial barriers to employment' means limitations in the hiring, firing, promotion, licensing, and other terms and conditions of employment which are not directly related to an individual's fitness or ability to perform the duties required by the employment position.

"(4) The term 'community-based organizations' means private nonprofit organizations which are representative of communities or significant segments of communities and which provide employment and training services (for example, Opportunities Industrialization Centers, the National Urban League, SER-Jobs for Progress, United Way of America, Mainstream, the National Puerto Rican Forum, neighborhood groups and organizations, community action agencies, community development corporations, vocational rehabilitation organizations, rehabilitation facilities (as defined in section 7(10) of the Rehabilitation Act of 1973), agencies serving youth, union-related organizations, and employer-related nonprofit organizations). 29 USC 706.

"(5) The term 'Consumer Price Index' means the 'All Urban Consumer Index' as determined by the Secretary of Labor.

"(6) The term 'disabled veteran' means those veterans described in section 2011(1) of title 38, United States Code.

"(7) The term 'displaced homemaker' means an individual who—

"(A) has not worked in the labor force for a substantial number of years but has, during those years, worked in the home providing unpaid services for family members;

"(B)(i) has been dependent on public assistance or on the income of another family member but is no longer supported by that income, or (ii) is receiving public assistance on account of dependent children in the home; and

"(C) is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

"(8) The term 'economically disadvantaged' means a person who (A) receives, or is a member of a family which (i) receives cash welfare payments under a Federal, State, or local welfare program, or (ii) had a family income during the 6-month period

prior to application for the program involved which would have qualified such family for such cash welfare payments, subject to regulations of the Secretary; (B) has, or is a member of a family which has, received a total family income for the 6-month period prior to application for the program involved (exclusive of unemployment compensation and welfare payments) which, in relation to family size, was not in excess of the higher of (i) the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget, or (ii) 70 percent of the lower living standard income level; (C) is a foster child on behalf of whom State or local government payments are made; or (D) in cases permitted by regulations of the Secretary, is a handicapped individual living at home or is an individual who is institutionalized or receiving services in, or is a client of, a sheltered workshop, prison, hospital, or similar institution or in community care. Except for any person who would be eligible for assistance under title V of the Older Americans Act of 1965 or a handicapped individual who is sixteen years of age or older, any person claimed as a dependent on another person's Federal income tax return under section 151(e) of the Internal Revenue Code of 1954 for the previous year shall be presumed, unless otherwise demonstrated, to be part of the person's family for the current year.

42 USC 3041.

26 USC 151.

"(9) The term 'entry level' means the lowest position in any promotional line, as defined locally by collective-bargaining agreements, past practice, or applicable personnel rules.

"(10) The term 'Governor' means the chief executive of any State.

"(11) The term 'handicapped individual' means any individual who has a physical or mental disability which for such individual constitutes or results in a substantial handicap to employment.

"(12) The term 'Hawaiian native' means any individual any of whose ancestors were natives, prior to 1778, of the area which now consists of the Hawaiian Islands.

"(13) The term 'health care' includes preventive and clinical medical treatment, family planning services, nutrition services, and appropriate psychiatric, psychological, and prosthetic services, to the extent any such treatment or services are necessary to enable the recipient of employment and training services to obtain or retain employment.

"(14) The terms 'institutions of higher education' and 'post-secondary institutions' mean those institutions defined as institutions of higher education in section 1201(a) of the Higher Education Act of 1965.

20 USC 1141.

"(15)(A) Except as provided in subparagraph (B), the term 'local educational agencies' means agencies as defined in section 195(10) of the Vocational Education Act of 1963.

20 USC 2461.

"(B) For purposes of subpart 3 of part A of title IV, such term means agencies as defined in section 1001(f) of the Elementary and Secondary Education Act of 1965, as amended by the Education Amendments of 1978.

"(16) The term 'low-income level' means $7,000 with respect to income in 1969, and for any later year means that amount which bears the same relationship to $7,000 as the Consumer Price

Index for that year bears to the Consumer Price Index for 1969, rounded to the nearest $1,000.

"(17) The term 'lower living standard income level' means that income level (adjusted for regional, metropolitan, urban, and rural differences and family size) determined annually by the Secretary based upon the most recent 'lower living family budget' issued by the Secretary.

"(18) The term 'offender' means any adult or juvenile who is or has been subject to any stage of the criminal justice process for whom employment and training services may be beneficial or who requires assistance in overcoming artificial barriers to employment resulting from a record of arrest or conviction.

"(19) The term 'project' means, for the purpose of titles II and VI, a definable task or group of related tasks which will be completed within a definable period of time, has a public service objective, will result in a specific product or accomplishment, and would otherwise not be done with existing funds.

Post, pp. 1950, 2003.

"(20) The term 'project applicants' includes States and agencies thereof, units of general local government and agencies thereof or combinations or associations of such governmental units when the primary purpose of such combinations or associations is to assist such governmental units to provide public services, special purpose political subdivisions having the power to levy taxes and spend funds or serving such special purpose within an area served by one or more units of general local government, local educational agencies, institutions of higher education, community-based organizations, community development corporations, nonprofit groups and organizations serving Native Americans, and other private nonprofit organizations or institutions engaged in public service.

"(21) The term 'public assistance' means Federal, State, or local government cash payments for which eligibility is determined by a need or income test.

"(22) The term 'public service' includes work, including part-time work, in such fields as environmental quality, health care, education, child care, public safety, crime prevention and control, prisoner rehabilitation, transportation, recreation, maintenance of parks, streets, and other public facilities, solid waste removal, pollution control, housing and neighborhood improvements, rural development, conservation, beautification, veterans outreach, and other fields of human betterment and community improvement.

"(23) The term 'recipient' means any person, organization, unit of government, corporation, or other entity receiving financial assistance under this Act whether directly from the Secretary, or through another recipient by subgrant, contract, subcontract, agreement, or otherwise.

"(24) The term 'Secretary' means the Secretary of Labor.

"(25) The term 'State' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, American Samoa, and the Trust Territory of the Pacific Islands.

"(26) The term 'supportive services' means services which are designed to contribute to the employability of participants, enhance their employment opportunities, assist them in retaining employment, and facilitate their movement into permanent

employment not subsidized under the Act. Supportive services may include health care, transportation, temporary shelter, child care, and financial counseling and assistance.

"(27) The term 'underemployed persons' means—

"(A) persons who are working part time but seeking full-time work; or

"(B) persons who are working full time but receiving wages not in excess of the higher of either (i) the poverty level determined in accordance with criteria as established by the Director of the Office of Management and Budget; or (ii) 70 percent of the lower living standard income level.

"(28) The term 'unemployed persons' means—

"(A) persons who are without jobs and who want and are available for work; or

"(B) except for purposes of allocation formulas—

"(i) in cases permitted by regulations of the Secretary, persons who are institutionalized in, or who have been released from a prison, hospital, or similar institution, or are clients of a sheltered workshop; or

"(ii) adults who receive, or whose families receive, supplemental security income or money payments pursuant to a State plan approved under title I, IV, X, or XVI of the Social Security Act or would, as defined in regulations to be issued by the Secretary, be eligible for such payments but for the fact that both parents are present in the home (I) who are determined by the Secretary of Labor, in consultation with the Secretary of Health, Education, and Welfare, to be available for work and (II) who are either persons without jobs, or persons working in jobs providing insufficient income to support their families without welfare assistance.

42 USC 301, 601, 1201, 1381.

The determination of whether persons are without jobs shall be made in accordance with the criteria used by the Bureau of Labor Statistics of the Department of Labor in defining persons as unemployed, but such criteria shall not be applied differently on account of a person's previous employment.

"(29) The term 'unit of general local government' means any city, municipality, county, town, township, parish, village, or other general purpose political subdivision which has the power to levy taxes and spend funds, as well as general corporate and police powers.

"(30) The term 'veterans outreach' means the veterans outreach services program carried out under subchapter IV of chapter 3 of title 38, United States Code, with full utilization of veterans receiving educational assistance or vocational rehabilitation under chapter 31 or 34 of such title 38, and the services described in section 305 of this Act.

38 USC 1501 *et seq.*, 1651 *et seq.*
Post, p. 1965.

"(31) The term 'Vietnam-era veterans' means those veterans defined in section 2011(2)(A) of title 38, United States Code, who are under 35 years of age.

"TITLE I—ADMINISTRATIVE PROVISIONS

"PART A—ORGANIZATIONAL PROVISIONS

"PRIME SPONSORS

"SEC. 101. (a) A prime sponsor under this Act shall be— 29 USC 811.

"(1) a State;

"(2) a unit of general local government which has a population of 100,000 or more persons on the basis of the most satisfactory current data available to the Secretary;

"(3) any consortium of units of general local government which includes any unit of general local government qualifying under paragraph (2);

"(4) any unit of general local government or any consortium of such units, without regard to population, which, in exceptional circumstances, and after consultation with appropriate State and local officials, is determined by the Secretary—

"(A) (i) to serve a substantial portion of a functioning labor market area, or (ii) to be a rural area having a high level of unemployment; and

"(B) to have demonstrated (i) that it has the capability for adequately carrying out programs under this Act, (ii) that there is a special need for services within the area to be served, and (iii) that it will carry out such programs and services in such area as effectively as any larger unit of general local government in the jurisdiction of which it is located or as the State;

"(5) a limited number of existing concentrated employment program grantees serving rural areas having a high level of unemployment which the Secretary determines have special capabilities for carrying out programs in such areas and are designated by the Secretary for that purpose; and

"(6) any unit of general local government previously designated as a prime sponsor under the provisions of this Act (as in effect prior to the effective date of the Comprehensive Employment and Training Act Amendments of 1978), regardless of a population decline below 100,000 persons, which the Secretary certifies has demonstrated its effectiveness in, and continues to have the capability for, adequately carrying out programs under this Act. *Ante*, p. 1909.

"(b) (1) A State shall not qualify as a prime sponsor for any geographical area within the jurisdiction of any prime sponsor described in paragraph (2), (3), (4), (5), or (6) of subsection (a) unless such prime sponsor has not submitted an approvable comprehensive employment and training plan for such area.

"(2) A larger unit of general local government shall not qualify as a prime sponsor with respect to the jurisdiction within its area of any smaller eligible unit of general local government unless such smaller unit has not submitted an approvable comprehensive employment and training plan for such area.

"(c) An applicant shall submit to the Secretary a notice of intent to be a prime sponsor for a fiscal year by such date as the Secretary shall prescribe. The Secretary shall designate as a prime sponsor any Notice.

applicant submitting such a notice unless the Secretary determines that such applicant does not qualify under this section.

"(d) State prime sponsors shall, in coordination with units of general local government, make appropriate arrangements for appropriate area planning bodies to serve subareas within the State prime sponsor's area for the purpose of assisting in the effective planning and delivery of comprehensive employment and training programs in such subareas, in accordance with such regulations as the Secretary may prescribe.

"AUTHORITY OF SECRETARY TO PROVIDE SERVICES

29 USC 812.

"SEC. 102. In any area for which no prime sponsor has been designated or where the Secretary has taken an action under section 104 or section 106 which results in employment and training services not being provided in such area, the Secretary shall use funds allocated to such prime sponsor to make payments directly to public agencies or private nonprofit organizations as if the Secretary were the prime sponsor for that area.

"COMPREHENSIVE EMPLOYMENT AND TRAINING PLAN

29 USC 813.

"SEC. 103. (a) In order to receive financial assistance under this Act, a prime sponsor designated under section 101(c) shall submit to the Secretary a comprehensive employment and training plan. Such plan shall consist of a master plan and an annual plan. The master plan shall serve as the long-term charter under which the programs of such prime sponsor shall be operated. Such plan shall be sufficiently detailed to provide the Secretary and the prime sponsor with a thorough understanding of the economic conditions of the area and of the prime sponsor's long-term programmatic and administrative arrangements to ensure that each annual program is designed and implemented in a manner best suited to such conditions and in a manner consistent with the requirements of this Act. The formulation of such plan by the prime sponsor shall involve the active participation of the prime sponsor planning council, and such plan shall—

"(1) include (A) a detailed analysis of the area to be served, including geographic and demographic characteristics of significant segments of the population to be served (with data indicating the number of potential eligible participants and their income and employment status), and (B) a comprehensive labor market analysis and assessment of the economic conditions in the area, identifying the availability of employment and training in various public and private labor market sectors in such area and the potential for job growth in such sectors;

"(2) include a statement of the long-term goals of the prime sponsor for the improvement of such labor market and economic conditions;

"(3) include a detailed description of—

"(A) the methods and institutional arrangements which will be used to involve community based organizations, educational agencies, and other deliverers of services in the development and implementation of the programs assisted under this Act; and

"(B) the methods and criteria which will be used to select such deliverers of services from an inventory of potentially

available deliverers of services (which have expressed an interest in writing) maintained by the prime sponsor as records accessible to the public;

"(4) include a detailed description of—

"(A) the prime sponsor's administrative arrangements, including the procedures to be used to supervise deliverers of service (including criteria for determining that a program has demonstrated effectiveness), to select and to place individuals on the administrative staff, to evaluate and audit the operation of such programs, and to process complaints and grievances;

"(B) the methods to be used to identify and place participants in such programs, the arrangements made with respect to providing such participants with job search assistance, counseling, and other services; and

"(C) the procedures for the selection of and the arrangements made with respect to consultation with the prime sponsor planning council, the youth council, and the private industry council;

"(5) include a description of arrangements to ensure that—

"(A) employment and training services, including the development of job opportunities, will be provided to those most in need of them, including low-income persons, handicapped individuals, persons facing barriers to employment commonly experienced by older workers, and persons of limited English-speaking ability, and that the need for continued funding of programs of demonstrated effectiveness is taken into account in serving such groups and persons;

"(B) nondiscrimination and equal employment opportunities are provided; and

"(C) procedures are developed which will lead to skill development and job opportunities for participants in occupations traditionally limited to individuals of the opposite sex;

"(6) provide a description of appropriate arrangements with educational agencies serving youth, community-based organizations serving the poverty community which are not represented on the prime sponsor planning council, and other special target groups, for their participation in the planning of programs included in the plan;

"(7) provide for utilizing those services and facilities which are available, with or without reimbursement, from Federal, State, and local agencies to the extent deemed appropriate by the prime sponsor after giving due consideration to the effectiveness of such existing services and facilities, including the State employment service, State vocational education and vocational rehabilitation agencies, State public assistance agencies, area skills centers, local educational agencies, postsecondary training and education institutions, community action agencies, other public agencies and community-based organizations, but nothing contained herein shall be construed to limit the utilization of services and facilities of private agencies, institutions, and organizations (such as private businesses, labor organizations, and private educational and vocational institutions) which can, at comparable cost, provide substantially equivalent training or services;

"(8) provide (A) a description of arrangements for (i) the use of skills centers established under section 231 of the Manpower Development and Training Act of 1962, and (ii) the use of other public vocational education facilities in such area; (B) a description of arrangements to coordinate services for which financial assistance is provided under programs administered by the Secretary relating to employment and training and related services; and (C) a description of arrangements to promote maximum feasible use of apprenticeship or other on-the-job training opportunities available under section 1787 of title 38, United States Code;

"(9) provide for and include a description of arrangements made to ensure the participation of and consultation with local educational agencies, vocational education agencies, community-based organizations, Federal and State agencies, organized labor, business, and other institutions and organizations in the conduct of programs under this Act;

"(10) include a description of procedures for the consideration of any changes in the agreement required by this subsection or in the annual plan required under subsection (b), including review of such changes by the prime sponsor planning council;

"(11) include a detailed description of recordkeeping procedures (including books of account) for the expenditure of funds received under this Act which will allow the Secretary to audit and monitor the prime sponsor's programs, and will assure adequate supervision and monitoring of such programs by the prime sponsor, particularly with respect to the eligibility of participants and the propriety of participant selection procedures and practices;

"(12) include a detailed description of procedures for the monitoring and auditing of any subgrantees or subcontractors;

"(13) include a description of the methods and arrangements which will be used to ensure the fullest possible utilization, consistent with the education and training needs identified in the plan, of public vocational education facilities and programs, and of other facilities of local education agencies in the provision of instruction in basic cognitive skills and in the development and implementation of programs assisted under this Act;

"(14) provide evidence that in the development of such plan there has been a continuing process of consultation with interested groups in the area not directly represented on the prime sponsor's planning council, including local advisory councils established under section 105(a) of the Vocational Education Act of 1963 and the private industry council established under section 704 of this Act, representatives of local education agencies, and representatives of postsecondary educational agencies;

20 USC 2305.

Post, p. 2011.

"(15) include a description of the methods for coordination between the prime sponsor and the local State employment security agencies and delineate the specific responsibilities of each in the delivery of employment and training services for participants funded under this Act and under the Wagner-Peyser Act, with the goal of maximizing the level of coordination between the prime sponsor and the local employment security agency and minimizing duplication;

29 USC 49 *et seq.*

"(16) include a description of the procedures concerning academic credit developed in conjunction with the appropriate local educational agency or institution of higher education and approved by the appropriate State educational agency (including State agencies responsible for postsecondary education), or, where a prime sponsor's area includes more than one local educational agency, developed in conjunction with, and approved by, the appropriate State educational agency;

"(17) include a description of recommendations of members of the prime sponsor's planning council which were not included in the plan, together with the reasons for rejecting them;

"(18) include a description of actions to ensure compliance with personnel procedures and collective bargaining agreements;

"(19) include a description of efforts to remove artificial barriers to employment;

"(20) include a description of plans and activities to coordinate, strengthen, and expand employment and training activities under this Act with economic development activities in the private sector; and

"(21) include adequate assurances of compliance with all provisions of this Act and regulations promulgated pursuant thereto.

"(b) To receive funds for any fiscal year, a prime sponsor shall submit an annual plan, which shall include— Annual plan.

"(1) a description of any significant changes from the information provided in the master plan;

"(2) a description of the eligible population identified by race, sex, national origin, and age, and the proposed activities and services for participants from these significant segments of the eligible population;

"(3) a description of specific services for individuals who are experiencing severe handicaps in obtaining employment, including individuals who lack credentials, require basic and remedial skill development, have limited English-speaking ability, are handicapped, are disabled or Vietnam-era veterans, are offenders, are displaced homemakers, are public assistance recipients, are 55 years of age or older, are youth, are single parents, are women, or are other individuals who the Secretary determines have particular disadvantages in the labor market;

"(4) a description of the services to be provided, the prime sponsor's performance and placement goals (including such goals as may be established with respect to the groups identified in paragraphs (2) and (3)), and the relationship of such goals to the Secretary's performance standards;

"(5) the proposed budget for the program year, including a detailed summary of the expenditures made during the preceding year, results achieved, and changes made in the annual plan for the program year;

"(6) a description of the relationship between job development and placement under this Act and other employment and training programs in the area served, and efforts made or which will be made to coordinate programs under this Act with such other programs;

"(7) a description of programs to orient and prepare the participants for their job responsibilities;

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"(8) a description of efforts to be undertaken to involve the private sector;

"(9) a statement of any intention by the prime sponsor to apply for and utilize funds provided under this Act which are not allocated by formula;

"(10) a description of wage rates or salaries and fringe benefits to be paid to persons employed in public service employment and a comparison with the wages or salaries and fringe benefits paid for similar public occupations by the same employer; levels of employment not supported under this Act; layoffs, and hiring and promotional freezes in each employing agency;

(11) a description of the procedures which will be used to promote the objectives of section 121(a)(4), including the hiring, licensing, and contracting activities of the political units, subgrantees, and contractors of such prime sponsor;

"(12) the method for determining priorities for service under title II which shall be based on objective locally established criteria to assist the prime sponsor in assuring service to those most in need, such priorities shall be based on locally determined factors such as employment status, household status, level of employability development, handicap, veteran status, age, race, sex, or other criteria deemed viable by the prime sponsor;

Post, p. 1950.

"(13) a list of the specific contracts from the previous year with those institutions providing training programs, including information on the rate of positive placement for individuals who have completed such programs;

"(14) a summary of any evaluation conducted of the prime sponsor's programs during preceding program years and a description of any use made of such evaluation in the modification or alteration of the prime sponsor's program;

"(15) a description of an affirmative action program for outreach to and training, placement, and advancement of handicapped individuals in employment and training programs under this Act, including—

"(A) a description of the extent to which and the methods whereby the special needs of the handicapped are to be met; and

"(B) a description of the number of handicapped individuals who were served in the preceding year the types of training or employment in which they were placed, and the number of such individuals who were moved into unsubsidized employment; and

Post, p. 1953.

"(16) a copy of all agreements made pursuant to section 203(c).

"(c) The Secretary shall establish procedures for submittal, approval, and implementation of changes in the comprehensive employment and training plan, together with any reports required under this Act, not more than once each fiscal quarter.

"REVIEW OF PLANS

29 USC 814.

"SEC. 104. (a) Each prime sponsor shall, at least 45 days before submitting its master or annual plan to the Secretary—

"(1) transmit such plan, in order to allow at least 30 days of review and comment, to—

"(A) the Governor;

"(B) the State employment and training council;

"(C) the prime sponsor planning council and the private industry council;

"(D) appropriate units of general local government in its area; and

"(E) labor organizations in the area which represent employees engaged in work similar to that proposed to be funded;

"(2) make such plan available, in order to allow for at least thirty days of review and comment, to— Availability for review and comment.

"(A) each House of the State legislature for appropriate referral;

"(B) appropriate community based organizations of demonstrated effectiveness in serving significant segments of the eligible population; and

"(C) appropriate educational agencies and institutions, and give written notification of its availability; and

"(3) make such plan available to the general public through such means as public hearings, newspapers, bulletins, and other media, including publications that primarily serve significant segments of the eligible population. Public availability.

"(b) The prime sponsor shall consider any comments or recommendations received and shall transmit to the Secretary copies of the comments and recommendations of the Governor, the State employment and training council, and the prime sponsor planning council. Copies of comments and recommendations.

"(c)(1) The Secretary shall review each comprehensive employment and training plan to determine whether it is complete, whether it meets the requirements of this Act and the regulations promulgated under this Act and other applicable law, and whether, taking into account such factors as past performance and the recommendations made by the Governor, the State employment and training council, and the prime sponsor planning council, it is adequately designed to carry out an effective and well-administered program. The Secretary shall require the prime sponsor to take such action as the Secretary deems necessary to bring its plan and programs into conformance with the Act and the regulations promulgated under this Act or to improve the administration and effectiveness of its programs. If it is determined that such action is made necessary as a result of the Secretary's review of recommendations submitted by the Governor, the State employment and training council, or the prime sponsor planning council, the Secretary shall request an explanation of why the prime sponsor rejected such recommendations.

"(2) The Secretary shall, prior to approval of any plan, require the inclusion in such plan of specific management and accounting procedures to assure adequate supervision and monitoring of the programs to be conducted pursuant to such plan, and shall require the adoption of specific procedures (such as accrual accounting procedures) where necessary for such purpose.

"(3) The Secretary shall, prior to approval of any plan, ensure that the prime sponsor has demonstrated a recognizable and proven method of verifying eligibility of all participants. The Secretary may require modification or the adoption of specific procedures where necessary for such purposes. The Secretary shall also develop recognizable penalties and inform the prime sponsor of such penalties to

be applied upon a finding of the ineligibility of any participant. In reviewing such plans, the Secretary shall ensure that the plans adequately describe, and the prime sponsor demonstrates a thorough understanding of, labor market and economic conditions in the area served, that the plan is reasonably designed to respond to such conditions, that the administrative arrangements and procedures are adequate for the performance of the program and will ensure that professional standards of management will be attained, and that the plans provide for adequate relationships with existing community efforts and maximize the use of existing resources.

Disapproval of plan.

"(4) The Secretary may disapprove all or any portion of a plan if he finds that the use of funds for a particular subcontract or subgrant provided within that portion of the plan would be grossly inefficient or fail to carry out the purposes of this Act.

"(d) (1) The Secretary shall disapprove any plan that does not fully satisfy the review under subsection (c), after a reasonable opportunity, but not less than 30 days, has been given to the prime sponsor to remedy any defect found in the plan and the prime sponsor has failed to do so.

Notice of disapproval.

"(2) Whenever the Secretary disapproves a plan he shall transmit a notice of disapproval to the prime sponsor and the Governor, accompanied by a statement of reason for the disapproval. The Secretary shall not disapprove a plan without first affording an opportunity for a hearing to the prime sponsor.

"(e) (1) The Secretary shall, not later than March 31 of the fiscal year preceding the fiscal year for which an annual plan is to take effect, establish a date for the submission of such annual plan. The Secretary shall make available to each prime sponsor a complete and final set of all applicable regulations and necessary application materials no later than May 15 of the fiscal year preceding the fiscal year for which such plan is to take effect. With respect to funds allocated under this Act on the basis of a formula, the Secretary shall also provide prime sponsors with a preliminary planning estimate based on the amounts available in the budget of the President or in the most recent concurrent budget resolution under the Congressional Budget Act applicable to such year. If for any reason the Secretary cannot provide a complete and final set of all applicable regulations and necessary application materials by such May 15 prior to the date established under the first sentence of this subsection, the Secretary shall extend the date for submittal of such plan to allow the prime sponsor to review such regulations and to complete such materials prior to submittal.

"(2) During the period of time between May 15 and the date for submittal of the plan, the Secretary shall not issue any regulations or guidelines or interpretations thereof that require any change in the prime sponsor's plan, which is a condition for the Secretary's approval or disapproval of the plan. If the Secretary deems that a plan change is required during this period, the Secretary shall allow at least one fiscal quarter for the prime sponsor to submit such change, except that the sponsor may at its own discretion submit the required change as part of its plan submittal under paragraph (1).

"GOVERNOR'S COORDINATION AND SPECIAL SERVICES PLAN

"SEC. 105. (a) Any State seeking financial assistance under this Act shall submit a Governor's coordination and special services plan to the Secretary. 29 USC 815.

"(b) Governor's coordination and special services activities shall include the following—

"(1) coordinating all employment and training, education, and related services provided by the State, by prime sponsors, by State education agencies and other appropriate institutions of vocational and higher education, State and local public assistance agencies, and by other providers of such services within the State;

"(2) coordinating programs financed under the Wagner-Peyser Act and this Act, including assisting in the negotiation of any agreements (including partnership arrangements described in section 307) between prime sponsors and State employment security agencies; 29 USC 49 *et seq.* *Post*, p. 1966.

"(3) assuring that comprehensive employment and training plans do not unnecessarily result in the duplication of services;

"(4) assisting the Secretary in enforcing the requirements for Federal contractors and subcontractors to list all suitable employment openings with local offices of the State employment service agencies and to take affirmative action, as required in section 2012(a) of title 38, United States Code;

"(5) assuring the promotion of prime sponsor planning that takes into account conditions prevailing in labor market areas covering more than one prime sponsor area, as well as related activities such as community development, economic development, vocational education, vocational rehabilitation, and social services;

"(6) exchanging of information between States and prime sponsors with respect to State, interstate, and regional planning for economic development, human resource development, education, and other subjects relevant to employment and training planning;

"(7) developing and providing to prime sponsors information on a State and local area basis regarding economic, industrial, and labor market conditions;

"(8) making available to prime sponsors, with or without reimbursement and upon request, appropriate information and technical assistance to assist them in developing and implementing their programs;

"(9) carrying out special model training and employment programs and related services, which may include programs for offenders similar to programs described in section 301(b)(2); *Post*, p. 1960.

"(10) providing financial assistance for special programs and services designed to meet the needs of rural areas outside major labor market areas;

"(11) providing labor market and occupational information to prime sponsors and appropriate educational agencies and institutions without reimbursement; and

"(12) facilitating and fostering the activities of the State Occupational Information Coordinating Committee established pursuant to section 161(b)(2) of the Vocational Education Act of 1963, with special emphasis on the systematic use of occupational infor- 20 USC 2391.

mation for prime sponsor planning as well as assisting and encouraging the development and use of career outlook information for individuals who are receiving rehabilitation services, students in local schools, and individuals using the services of prime sponsors and local offices of State employment security agencies.

"(c) A Governor's coordination and special services plan shall be approved by the Secretary only if the Secretary determines that the plan satisfactorily implements subsection (b).

"COMPLAINTS AND SANCTIONS

Grievance procedure.
29 USC 816.
Post, p. 1960.

"SEC. 106. (a)(1) Except for complaints subject to the provision of paragraph (2), each prime sponsor receiving financial assistance under this Act or contractor or grantee under title III shall establish and maintain a grievance procedure, including provision for hearings within 30 days after the filing of a grievance, and for handling complaints about the program arising from its participants, subgrantees, contractors, and other interested persons. Hearings under such procedure shall be conducted expeditiously and decisions shall be made not later than 60 days after the filing of the grievance involved. With the exception of grievances alleging fraud or any criminal activity, the filing of a grievance must be made within one year of the alleged occurrence.

Hearings.

"(2) Whenever the recipient of financial assistance under this Act is an employer and the participant is an employee of that employer, the recipient shall continue to operate or shall establish and maintain a grievance procedure relating to the terms and conditions of employment.

"(b) Whenever the Secretary receives a complaint from any interested person or organization (which has exhausted the prime sponsor's grievance system under subsection (a)(1) or which has exhausted or failed to achieve resolution of the grievance under the recipient's grievance system under subsection (a)(2) or under a collective bargaining agreement within the time limits prescribed in subsection (a)(1) or in such agreement) which alleges, or whenever the Secretary has reason to believe (because of an audit, report, on-site review, or otherwise) that a recipient of financial assistance under this Act is failing to comply with the requirements of this Act, the regulations under this Act, or the terms of the comprehensive employment and training plan, the Secretary shall investigate the matter. The Secretary shall conduct such investigation, and make the final determination required by the following sentence regarding the truth of the allegation or belief involved, not later than 120 days after receiving the complaint. If, after such investigation, the Secretary determines that there is substantial evidence to support such allegation or belief that such a recipient is failing to comply with such requirements, the Secretary shall, after due notice and opportunity for a hearing to such recipient, determine whether such allegation or belief is true.

"(c)(1) The Secretary shall revoke all or any part of a prime sponsor's comprehensive employment and training plan and terminate financial assistance thereunder, if prior notice and opportunity for a hearing have been given, when the Secretary determines that the prime sponsor is maintaining a pattern or practice of discrimination in violation of section 132.

Post, p. 1948.

"(2) The Secretary shall have the authority to revoke a prime sponsor's comprehensive employment and training plan and terminate financial assistance thereunder, if prior notice and opportunity for a hearing have been given, when the Secretary determines that the prime sponsor is—

"(A) failing to make opportunities available equitably among the significant segments of the eligible population in the area it serves;

"(B) failing to provide participants with employment or training opportunities at levels of skill and remuneration that are commensurate with their capabilities or potential capabilities;

"(C) failing to give due consideration to the eligible population in areas of chronic or concentrated unemployment;

"(D) failing to give due consideration to funding of programs of demonstrated effectiveness;

"(E) incurring unreasonable administrative costs in the conduct of activities and programs, as determined by the Secretary pursuant to regulations under this Act;

"(F) materially failing to expend funds in a reasonable period of time; or

"(G) otherwise materially failing to carry out the purposes and provisions of this Act or the regulations promulgated pursuant to this Act.

"(d)(1) If the Secretary concludes that any recipient of funds under this Act is failing to comply with any provision of this Act or the regulations under this Act or that the recipient has not taken appropriate action against its subcontractors, subgrantees, and other recipients, the Secretary shall have authority to terminate or suspend financial assistance in whole or in part and order such sanctions or corrective actions as are appropriate, including the repayment of misspent funds from sources other than funds under this Act and the withholding of future funding, if prior notice and an opportunity for a hearing have been given to the recipient. Whenever the Secretary orders termination or suspension of financial assistance to a subgrantee or subcontractor (including operators under a nonfinancial agreement), the Secretary shall have authority to take whatever action is necessary to enforce such order, including action directly against the subgrantee or subcontractor, and an order to the primary recipient that it take such legal action, to reclaim misspent funds or to otherwise protect the integrity of the funds or ensure the proper operation of the program.

"(2) If the Secretary concludes that a public service employment program is being conducted in violation of section 121 (e)(2), (e)(3), (g)(1), section 122 (c), (e), or section 123(g), or regulations promulgated pursuant to such sections, the Secretary shall, pursuant to paragraph (1) of this subsection, terminate or suspend financial assistance in whole or in part, order the repayment of misspent funds from sources other than funds under this Act or other funds used in connection with programs funded under this Act (unless, in view of special circumstances as demonstrated by the recipient, the Secretary determines that requiring repayment would not serve the purposes of attaining compliance with such sections), and order such other sanctions or corrective actions as are appropriate.

Termination or suspension of financial assistance. Notice and hearing.

"(e) In emergency situations, as determined by the Secretary, when it is necessary to protect the integrity of the funds or ensure the proper operation of the program, the Secretary may immediately terminate or suspend financial assistance in whole or in part, provided that prompt notice and opportunity for a subsequent hearing, within 30 days after such termination or suspension, are given to the recipient. The Secretary shall not delegate any of the functions or authority specified in this subsection other than to an officer whose appointment was required to be made by and with the advice and consent of the Senate.

"(f) If the Secretary determines that any recipient under this Act has—

"(1) discharged or in any other manner discriminated against a participant or against any person in connection with the administration of the program involved or against any person because such person has filed any complaint or instituted or caused to be instituted any proceeding under or related to this Act, or has testified or is about to testify in any such proceeding or investigation under or related to this Act, or otherwise unlawfully denied to any person a benefit to which that person is entitled under the provisions of this Act or the Secretary's regulations, or

"(2) discriminated against any person, failed to serve equitably significant segments of the eligible population, or failed to provide employment or training opportunities at levels of skill and remuneration that are commensurate with the participant's capabilities or potential capabilities;

the Secretary shall, within 30 days, take such action or order such corrective measures, as necessary, with respect to the recipient or the aggrieved person, or both.

"(g) The Secretary may withhold funds otherwise payable under this Act in order to recover any amounts expended in any fiscal year in violation of any provision of this Act, any regulation promulgated pursuant to this Act, or any term or condition of assistance under this Act. In the event of any such withholding which results from fraud or abuse, the Secretary may order the prime sponsor to conduct the program as specified in the applicable plan on the basis of funds other than funds under this Act and may enforce such order by appropriate civil action, unless the prime sponsor elects to terminate participation as a grantee under this Act.

"(h) With the consent and consideration of State agencies charged with the administration of State laws, the Secretary shall be authorized, for the purpose of carrying out this section and section 133, to utilize the services of State and local agencies and their employees. Notwithstanding any other provision of law, the Secretary is authorized to reimburse, in whole or in part, such State and local agencies and their employees for services rendered for such purposes.

Post, p. 1949.

"(i)(1) Except as otherwise provided in subsection (e), the Secretary shall not revoke a prime sponsor's plan, in whole or in part, nor institute corrective action or sanctions against a prime sponsor under this section or any other provision of this Act, without first providing the prime sponsor with notice by the Secretary of his intended actions and the reasons upon which those intended actions are based, and also providing the prime sponsor—

"(A) with an opportunity to informally resolve those matters contained in the Secretary's notice; and

"(B) in the event that the prime sponsor and the Secretary cannot informally resolve any matter pursuant to clause (A), with a notice that (i) indicates that efforts to informally resolve matters contained in the Secretary's original notice have been unsuccessful; (ii) lists those matters upon which the parties continue to disagree; and (iii) informs the prime sponsor of any sanctions, corrective action, or any other alteration or modification of the prime sponsor's plan or program intended by the Secretary.

"(2) Within 10 days of receipt of the Secretary's notice under paragraph (1)(B), the prime sponsor may request a hearing, but in no event shall the Secretary proceed under this subsection without first fulfilling all the requirements under this subsection. Hearing.

"(j) In order to ensure compliance with the provisions of this Act and regulations promulgated under this Act and to ensure conduct of programs in a manner consistent with the purposes and objectives of this Act, the Secretary may require prime sponsors to participate in unified audit programs established by the Secretary to provide for the audit of both prime sponsors and their respective subgrantees and subcontractors. In any such case the Secretary may require the prime sponsor to pay, from funds under this Act available to it for administrative expenses, that portion of the unified audit expenses allocable to the audit of such subgrantees and subcontractors. Audit programs.

"(k) Nothing in this section shall be deemed to reduce the responsibility and full liability of the prime sponsors and other recipients which receive funds directly from the Secretary.

"(l) The existence of remedies under this section shall not preclude any person, who alleges that an action of a prime sponsor or of any other recipient violates any of the provisions of the Act or the regulations promulgated under the Act, from instituting a civil action or pursuing any other remedies authorized under Federal, State, or local law.

"JUDICIAL REVIEW

"SEC. 107. (a) If any prime sponsor is dissatisfied with the Secretary's final action with respect to the disapproval of its comprehensive employment and training plan under section 104, or if any recipient is dissatisfied with the Secretary's final action with respect to a sanction under section 106, or if any interested person is dissatisfied with or aggrieved by any final action of the Secretary authorized under section 106, such prime sponsor, recipient, or person may, within 60 days after notice of such action, file with the United States court of appeals for the circuit in which the prime sponsor, recipient, or person resides or transacts business a petition for review of such action. 29 USC 817.

"(b) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may, in whole or in part, set aside the findings of the Secretary or remand the case to the Secretary in whole or in part to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify the previous action, and shall certify to the court the record of the further proceedings.

"REALLOCATION

"SEC. 108. (a) The Secretary is authorized to reallocate any amount of any allocation under this Act to the extent that the Secretary deter- 29 USC 818.

mines that the recipient will not be able to use such amount within a reasonable period of time.

"(b)(1) Any allocations to a prime sponsor designated under section 101(c) may be reallocated only if the Secretary has provided 30 days advance notice to the prime sponsor, to the Governor, and to the general public. During such period comments may be submitted to the Secretary.

Publication in Federal Register.

"(2) After considering any comments submitted during such period, the Secretary shall notify the Governor and the affected prime sponsor of any decision to reallocate funds, and shall publish such decision in the Federal Register.

"(3) In reallocating any such funds, the Secretary shall give priority first to other prime sponsor areas within the same State and then to prime sponsor areas within other States.

"PRIME SPONSOR'S PLANNING COUNCIL

29 USC 819.

"SEC. 109. (a) Each prime sponsor designated under section 101(c) shall establish a planning council.

Membership.

"(b) Each planning council established under subsection (a) shall consist of members who are representative of the eligible population (including significant segments thereof), organized labor, employees who are not represented by organized labor, community-based organizations, the employment service, veterans organizations, representatives of handicapped individuals, vocational education agencies, public assistance agencies, other education and training agencies and institutions, business, labor, and, where appropriate agricultural employers and workers.

"(c) The prime sponsor shall appoint the members of the planning council, designate a public member as chairperson and furnish staff to provide professional, technical, and clerical assistance to the council.

"(d) The planning council shall meet no less than 5 times per year. The meetings shall be publicly announced, and, to the extent appropriate, open to and accessible to the general public.

Publicly announced meetings.

Recommendations.

"(e) The council shall (1) participate in the development of, and submit recommendations regarding, the prime sponsor's comprehensive employment and training plan and the basic goals, policies, and procedures of the prime sponsor's programs and of other employment and training programs in the prime sponsor's area; (2) monitor, and provide for objective evaluation of, employment and training programs conducted in such area; and (3) provide for continuing analyses of the need for employment, training, and related services in such area, including efforts to reduce and eliminate artificial barriers to employment. Special consideration shall be given to the recommendations of the planning council, but any final decision with respect to such recommendations shall be made by the prime sponsor.

"(f) The planning council shall take into consideration any comments and recommendations of the private industry council in the development of the comprehensive employment and training plan.

"STATE EMPLOYMENT AND TRAINING COUNCIL

29 USC 820.

"SEC. 110. (a)(1) Any State which desires to receive financial assistance under this Act shall establish a State employment and training council (hereinafter in this section referred to as the 'Council'). Funding for the council shall be provided pursuant to section 202(c).

Post, p. 1950.

"(2) The council shall be appointed by the Governor, who shall designate one public member thereof to be chairperson. The Governor shall furnish staff to provide professional, technical, and clerical assistance to the council.

"(3) The council shall be composed of— Membership.

"(A) representatives of the units or combinations of units of general local government in such State, including those which are prime sponsors, who together shall comprise at least one-quarter of the membership of the council and shall be nominated by the chief executive officers of the units or combination of units of general local government;

"(B) representatives of organized labor, business, and agricultural employers and workers, who together shall comprise one-quarter of the membership of the council;

"(C) representatives of the eligible population (including significant segments thereof) and of the general public, who together shall comprise one-quarter of the membership of the council; and

"(D) representatives of service deliverers, who together shall comprise not more than one-quarter of the membership of the council, including at least—

"(i) one representative each of the State board of vocational education and the public employment service of such State;

"(ii) one representative of the State Advisory Council on Vocational Education created pursuant to section 105 of the Vocational Education Act of 1963; 20 USC 2305.

"(iii) one representative of the State public assistance agency;

"(iv) one representative of each such other State agency as the Governor may determine to have a direct interest in overall employment and training and human resource utilization within the State;

"(v) representatives of community-based organizations;

"(vi) representatives of veterans organizations; and

"(vii) representatives of handicapped individuals.

"(4) The council shall meet at such times (but at least 5 times each year) and in such places as it deems necessary. The meetings shall be publicly announced, and, to the extent appropriate, open and accessible to the general public. Publicly announced meetings.

"(b) The council shall—

"(1) review continuously the operation of programs conducted by each prime sponsor, and the availability, responsiveness, and adequacy of State services, and make recommendations to the prime sponsors, to agencies providing employment and training services, to the Governor, and to the general public with respect to ways to improve the effectiveness of such programs or services;

"(2) make an annual report to the Governor which shall be a public document, and issue such other studies, reports, or documents as it deems advisable to assist prime sponsors or to otherwise help carry out the purposes of this Act;

"(3)(A) identify, in coordination with the State Advisory Council on Vocational Education, the employment and training and vocational education needs of the State and assess the extent to which employment and training, vocational education, voca-

tional rehabilitation, public assistance, and other programs assisted under this and related Acts represent a consistent, integrated, and coordinated approach to meeting such needs; and

Comments.

"(B) comment at least once annually on the reports of the State Advisory Council on Vocational Education, which comments shall be included in the annual report submitted by that Council pursuant to section 105 of the Vocational Education Act of 1963;

20 USC 2305.

"(4) review the comprehensive employment and training plans of prime sponsors pursuant to section 104, especially with respect to nonutilization or duplication of existing services;

"(5) review plans of all State agencies providing employment, training, and related services, and provide comments and recommendations to the Governor, the State agencies and the appropriate Federal agencies on the relevancy and effectiveness of employment and training and related service delivery systems in the State; and

"(6) participate in the development of the Governor's coordination and special services plan.

"CONSULTATION

29 USC 821.

"SEC. 111. (a) The Secretary shall consult with the Secretary of Health, Education, and Welfare, with respect to arrangements for services of a health, education, or welfare character under this Act, and the Secretary of Health, Education, and Welfare shall solicit the advice and comments of appropriate State agencies with respects to health, education, and welfare services. Such services shall include basic or general education; educational programs conducted for offenders; institutional training; health care, child care, and other supportive services; and new careers and job restructuring in the health, education, and welfare professions.

"(b) The Secretary, in carrying out or supporting programs under this Act, shall consult, as appropriate, with the Secretary of Commerce, the Secretary of Housing and Urban Development, the Secretary of Agriculture, the Director of the ACTION Agency, the Director of the Community Services Administration, the Administrator of Veterans Affairs, and such other officials as appropriate.

"AUTHORIZATION OF APPROPRIATIONS

29 USC 822.

"SEC. 112. (a) (1) There are authorized to be appropriated such sums as may be necessary for fiscal year 1979 and for each of the three succeeding fiscal years to carry out title I.

Ante, p. 1917.

"(2) (A) There are authorized to be appropriated $2,000,000,000 for fiscal year 1979 to carry out parts A, B, and C of title II.

Post, pp. 1950, 1954, 1956.

"(B) There are authorized to be appropriated $3,000,000,000 for fiscal year 1979 to carry out part D of title II.

Post, p. 1957.

"(C) Subject to subsection (b) (1), there are authorized to be appropriated such sums as may be necessary for fiscal year 1980 and for each of the two succeeding fiscal years to carry out parts A, B, C, and D of title II.

"(3) Subject to subsection (b) (2), there are authorized to be appropriated such sums as may be necessary for fiscal year 1979 and for each of the three succeeding fiscal years to carry out title III.

Post, p. 1960.

"(4) (A) There are authorized to be appropriated $2,250,000,000 for fiscal year 1979 to carry out title IV.

Post, p. 1974.

"(B) There are authorized to be appropriated $2,400,000,000 for fiscal year 1980 to carry out title IV.

"(C) There are authorized to be appropriated such sums as may be necessary for fiscal year 1981 and for the succeeding fiscal year to carry out parts B and C of title IV.

"(5) There are authorized to be appropriated such sums as may be necessary for fiscal year 1979 and for each of the three succeeding fiscal years to carry out title V.

"(6) There are authorized to be appropriated for fiscal year 1979 and for each of the three succeeding fiscal years the amount determined pursuant to section 602 to carry out title VI.

"(7)(A) There are authorized to be appropriated $500,000,000 for fiscal year 1979 to carry out title VII.

"(B) There are authorized to be appropriated $525,000,000 for fiscal year 1980 to carry out title VII.

"(8)(A) There are authorized to be appropriated $350,000,000 for fiscal year 1979 to carry out title VIII.

"(B) There are authorized to be appropriated $400,000,000 for fiscal year 1980 to carry out title VIII.

"(C) There are authorized to be appropriated such sums as may be necessary for fiscal year 1981 and for the succeeding fiscal year to carry out title VIII.

"(b)(1) Of the amount appropriated to carry out title II for fiscal years 1980, 1981, and 1982, the amount which shall be available for part D of such title for a fiscal year shall not exceed 60 percent of the total amount appropriated for such title for such fiscal year.

"(2) Of the amount appropriated to carry out this Act for any fiscal year, not more than 20 percent of such amount (excluding any amount made available for carrying out part D of title II and title VI) shall be available for carrying out the provisions of title III. From such amount made available for title III activities, the Secretary shall transfer an amount which shall be not less than $3,000,000 and not more than $5,000,000 for any fiscal year to the National Occupational Information Coordinating Committee established pursuant to section 161(b) of the Vocational Education Act of 1963 for purposes described in section 315 of this Act.

"(c) Notwithstanding any other provision of law, unless enacted in specific limitation of the provisions of this subsection, any funds appropriated to carry out this Act, which are not obligated prior to the end of the fiscal year for which such funds were appropriated, shall remain available for obligation during the succeeding fiscal year, and any funds obligated in any fiscal year may be expended during a period of 2 years from the date of obligation.

"(d)(1) For the purpose of affording adequate notice of funding available under this Act, appropriations under this Act are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which they are first available for obligation.

"(2) In order to effect a transition to the advance funding method of timing appropriation action, the provisions of this subsection shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

Post, p. 1974.

Post, p. 2002.

Post, p. 2005.

Post, p. 2010.

Post, p. 2013.

Post, pp. 1957, 2005.

20 USC 2391.

Post, p. 1972.

"PART B—GENERAL PROVISIONS

"CONDITIONS APPLICABLE TO ALL PROGRAMS

29 USC 823.

"SEC. 121. Except as otherwise provided, the following conditions are applicable to all programs under this Act:

"(a)(1) No person shall be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in the administration of or in connection with any such program because of race, color, religion, sex, national origin, age, handicap, or political affiliation or belief.

"(2) Participants shall not be employed on the construction, operation, or maintenance of so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship.

"(3) Every participant, prior to entering upon employment or training, shall be informed of that individual's rights and benefits in connection with such employment or training; acceptance of family planning services shall be voluntary on the part of the individual, and shall not be a prerequisite to eligibility for, or receipt of, any benefit under the program.

"(4) Programs shall contribute, to the maximum extent feasible, to the elimination of artificial barriers to employment and occupational advancement.

"(5) Prime sponsors shall make efforts to remove architectural barriers to employment of the handicapped.

"(b)(1)(A) Employment and training opportunities for participants shall be made available by prime sponsors on an equitable basis in accordance with the purposes of this Act among significant segments of the eligible population giving consideration to the relative numbers of eligible persons in each such segment.

"(B) In the administration of programs under this Act, members of the eligible population to be served shall be provided maximum employment opportunities, including opportunities for further occupational training and career advancement. Prime sponsors shall make special efforts to recruit and hire qualified persons reflecting the significant demographic segments of the population residing in the area.

"(2)(A) The Secretary shall take appropriate steps to provide for the increased participation of qualified disabled and Vietnam-era veterans (with special emphasis on those who served in the Armed Forces in the Indochina Theatre on or after August 5, 1964, and on or before May 7, 1975) in public service employment programs and job training opportunities supported under this Act, but nothing in this Act shall authorize the Secretary to establish a hiring or participation goal for such veterans. In carrying out this paragraph, the Secretary shall consult with and solicit the cooperation of the Administrator of Veterans' Affairs. Such steps shall include employment, training, supportive services, technical assistance and training, support for community based veterans programs, and maintenance and expansion of private sector veterans employment and training initiatives and such other programs or initiatives as are necessary to serve the unique readjustment, rehabilitation, and employment needs of veterans.

"(B) Special efforts shall be made to acquaint such veterans with the employment and training opportunities available under this Act, and to coordinate efforts in behalf of such veterans with those activi-

ties authorized by chapter 41 of title 38, United States Code (relating to job counseling and employment services for veterans), and other similar activities carried out by other public agencies or organizations. 38 USC 2001, *et seq.*

"(C) Prime sponsors shall provide such arrangements as may be appropriate to promote maximum feasible use of apprenticeship or other on-the-job training opportunities available under section 1787 of title 38, United States Code.

"(c)(1) All persons participating in training under this Act shall receive allowances pursuant to section 124; no participant may receive allowances from funds under this Act for institutional or classroom training for more than 104 weeks in a 5-year period.

"(2) Subject to section 212(b), no individual shall participate in programs receiving financial assistance under this Act for longer than a total of 30 months in any 5-year period. For purposes of this subparagraph, no period of participation prior to October 1, 1978, shall be included in the computation of such 30 months. *Post*, p. 1955.

"(d)(1) Conditions of employment and training shall be appropriate and reasonable in the light of such factors as the type of work, geographical region, and proficiency of the participant.

"(2) Appropriate health, safety and other standards for work and training shall be established and maintained.

"(3) Household support obligations shall be taken into account, and special consideration shall be given alternative working arrangements such as flexible hours of work, work-sharing arrangements, and part-time jobs, particularly for parents of young children and for older persons.

"(4) All programs for in-school youth shall be consistent with applicable State educational standards.

"(5) Appropriate workers' compensation or equivalent protection shall be provided to all participants.

"(e)(1) The program shall result in an increase in employment and training opportunities over those opportunities which would otherwise be available.

"(2) No currently employed worker shall be displaced by any participant (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits).

"(3) No program shall impair existing contracts for services.

"(4) No funds shall be used to assist in relocating establishments, or parts thereof, from one area to another or locating new branches, subsidiaries, or affiliates unless the Secretary determines that such relocation or location will not result in an increase in unemployment in the area of original location or in any other area.

"(f)(1) All programs, to the maximum extent feasible, shall contribute to occupational development, upward mobility, development of new careers, and overcoming sex-stereotyping (including procedures which will lead to skill development and job opportunities for participants in occupations traditionally limited to the opposite sex).

"(2) No person shall be trained for an occupation which requires less than 2 weeks of preemployment training unless there are immediate employment opportunities available in that occupation.

"(3) All programs shall be designed, to the maximum extent practicable, consistent with every individual's fullest capabilities, to lead to employment opportunities enabling participants to increase their earned income and to become economically self-sufficient.

"(4) No person shall be referred for training unless there is a reasonable expectation of employment in the occupation for which such person is being trained. To the extent feasible, public service jobs shall be provided in occupational fields which are most likely to expand within the public or private sector.

"(5) Programs of institutional training shall be designed for occupations in which skill shortages exist.

"(g)(1)(A) No program shall substitute funds under this Act for other funds in connection with work that would otherwise be performed.

"(B) Jobs shall be created that are in addition to those that would be funded in the absence of assistance under this Act.

"(C) Funds shall be used to supplement, and not to supplant, the level of funds that would otherwise be made available from non-Federal sources for the planning and administration of programs.

"(2) Programs shall use services and facilities available (with or without reimbursement) from Federal, State, and local agencies to the extent they are deemed effective by the prime sponsor.

"(h)(1) No nongovernmental individual, institution, or organization shall be paid funds provided under this Act to conduct an evaluation of any program under this Act if such individual, institution or organization is associated with that program as a consultant or technical advisor, or in any similar capacity.

"(2) No member of any council under this Act shall cast a vote on any matter which has a direct bearing on services to be provided by that member (or any organization which that member directly represents) or vote on any matter which would financially benefit the member or the organization which the member represents.

"(i) Except as provided in section 212(b), work experience programs conducted under this Act shall not exceed a total of 1,000 hours for any individual (other than an in-school youth), for any year, and not more than 2,000 hours within a 5-year period beginning on the effective date of the Comprehensive Employment and Training Act Amendments of 1978. Work experience shall only be for persons who need assistance in becoming accustomed to basic work requirements, including basic work skills, in order to be able to compete successfully in the labor market.

Ante, p. 1909.

"(j) Funds available for employment benefits under this Act may be used, for the duration of participation, for contributions on behalf of participants who are, prior to July 1, 1979, enrolled in retirement systems or plans. With respect to participants enrolled in retirement systems or plans on or after such date, except as otherwise provided in regulations promulgated by the Secretary, no funds under this Act may be used for contributions to retirement systems or plans unless such contributions bear a reasonable relationship to the cost of providing benefits to participants. Such regulations shall take into consideration circumstances where efforts are being made to change State or local laws or both affecting retirement coverage for individuals who are participants in activities funded pursuant to this Act. Pursuant to section 314 of this Act, the Secretary shall provide technical assistance to recipients to enable retirement systems or plans to comply with section 122(k) and this subsection.

Post, p. 1972.

"(k) Small and minority-owned businesses shall be provided maximum reasonable opportunity to compete for contracts for supplies and services including, where appropriate, the use of set-asides.

"(l) The Secretary shall promulgate regulations to insure that payments to employers organized for profit shall not exceed the difference between the costs of recruiting, training, and supportive services and the costs of lower productivity associated with employing an individual who lacks the requisite skills to perform the job in which the individual is placed and such costs for those otherwise employed. The length of time for which such payments may be made shall not exceed that period of time generally required for the acquisition of skills needed for a position within a particular occupation. Regulations.

"(m) Prime sponsors shall provide, where employment opportunities already exist or where there is a reasonable expectation of near-term expansion of such employment potential, employment and training opportunities in the development and use of solar, geothermal, hydroelectric, and other alternative energy technologies, and conservation, especially those clean, safe, renewable resources which may assist communities in resolving energy demand problems, thereby reducing their reliance on conventional nonrenewable fuels. For purposes of this section, solar energy sources has the meaning set forth in section 3 of the Solar Energy Research, Development and Demonstration Act of 1974. 42 USC 5552.

"(n)(1) No prime sponsor may use any funds received under this Act to assist or promote union organizing. Without limiting the powers otherwise granted to the Secretary, funds found by the Secretary to be in violation of this subsection shall be refunded promptly to the United States Treasury.

"(2) No individual may be required to join a union as a condition of enrolling in a program assisted under this Act in which only institutional training is provided, unless such institutional training involves individuals employed under a collective-bargaining agreement which contains a union security provision.

"(o) No funds provided under this Act shall be paid to any nongovernmental organization, association, firm or other entity for the conduct of any program or activity (other than under title VII or on-the-job training) under this Act unless— *Post*, p. 2010.

"(1) such organization, association, firm or other entity has a meritorious written plan which has been reviewed and evaluated by the prime sponsor or, where appropriate, the Secretary, according to standards promulgated by the Secretary and is found to meet the purposes and requirements of the Act; and

"(2) such organization, association, firm or other entity is selected on the basis of merit which shall mean at least that such organization, association, firm or other entity—

"(A) has the administrative capability to perform effectively under the program;

"(B) has submitted a written plan under paragraph (1) that compares favorably to other plans; and

"(C) has not been seriously deficient in its conduct of or participation in any Department of Labor program in the past, or, is not a successor organization to one that was seriously deficient in the past, unless the Secretary in his discretion certifies after a clear, convincing, and detailed showing, that the deficiencies will be eliminated and performances substantially improved; and

"(3) a comprehensive and independent monitoring program designed to insure compliance with the plan and this Act is in effect

in accordance with standards promulgated by the Secretary requiring adequate training of monitors and procedures for the prompt follow up of problems found during the monitoring process.

The Secretary shall issue regulations to achieve the objectives of this subsection for title VII and on-the-job training programs with a minimum of burden on recipients.

Post, p. 2010

"(p) No recipient shall knowingly use any funds under this Act to enroll or serve any person who is an alien not lawfully admitted for permanent residence or who has not been authorized by the Attorney General to accept employment.

"(q) Each prime sponsor receiving funds under this Act shall establish an independent unit to monitor compliance with the requirements of this Act, the regulations issued thereunder, and the comprehensive employment and training plan. The Secretary shall annually assess the effectiveness of the units established pursuant to the preceding sentence, with particular regard to the adequacy of provisions made for funding, staffing, and insuring the independence and objectivity of monitoring practices and methods.

"SPECIAL CONDITIONS APPLICABLE TO PUBLIC SERVICE EMPLOYMENT

29 USC 824.

SEC. 122. Except as otherwise provided, the following conditions shall apply to all public service employment programs receiving financial assistance under this Act:

"(a) Only persons residing within the area qualifying for assistance shall be employed, and the public services provided by such jobs, to the extent feasible, shall be designed to benefit the residents of such area.

"(b)(1)(A) Public service employment under this Act is intended for eligible persons who are the most severly disadvantaged in terms of their length of unemployment and their prospects for finding employment.

"(B) Special consideration in filling public service jobs shall be given to eligible persons who are public assistance recipients or who are eligible for public assistance but not receiving such assistance.

"(2) Special consideration shall be given to eligible disabled and Vietnam-era veterans (with special emphasis on those who served in the Indochina Theatre on or after August 5, 1964, and on or before May 7, 1975) in accordance with procedures established by the Secretary, and special attention shall be given to the development of jobs which will utilize, to the maximum extent feasible, the skills which such veterans acquired in connection with their military training and service.

"(3)(A) Special emphasis in filling public service jobs shall be given to eligible members of groups specifically identified in section 301(a) as facing particular labor market disadvantages, taking into account the household support obligations of persons applying for such jobs, but nothing in this Act shall authorize the Secretary to establish hiring or participation goals for such persons.

Post, p. 1960.

"(B) Special efforts shall be made to acquaint such persons with the employment and training opportunities available under this Act, and to coordinate efforts in behalf of such persons with activities authorized by section 301.

"(c)(1) No person shall be employed or job opening filled (A) when any other person not supported under this Act is on layoff from

the same or any substantially equivalent job, or (B) when the employer has terminated the employment of any regular employee not supported under this Act or otherwise reduced its workforce with the intention of filling the vacancy so created by hiring a public service employee.

"(2) No funds for public service employment programs under this Act may be used to provide public services, through a private organization or institution, which are customarily provided by a State, a political subdivision, or a local educational agency in the area served by the program.

"(d) No jobs shall be created in a promotional line that will infringe in any way upon the promotional opportunities of persons currently employed in jobs not subsidized under this Act.

"(e) No public service jobs shall be substituted for existing federally assisted jobs.

"(f) The Secretary shall assure that prime sponsors have undertaken, or will undertake, analyses and reevaluations of job descriptions and, where feasible, revisions of qualification requirements at all levels of employment, including civil service requirements and practices relating thereto, in accordance with regulations prescribed by the Secretary, with a view toward removing artificial barriers to public employment (as defined in section 3) of those whom it is the purpose of this Act to assist.

"(g) Financial records relating to public service employment programs, and records of the names, addresses, positions, and salaries of all persons employed in public service jobs, shall be maintained and made available to the public.

"(h)(1) All persons participating in public service employment shall receive wages in accordance with section 124.

"(2) No participant may be paid wages from funds under this Act for public service employment for more than 78 weeks in a 5-year period.

"(3) For purposes of paragraph (2), no more than 26 weeks of public service employment financed in whole or in part under this Act prior to October 1, 1978, shall be considered as part of the 78 weeks.

"(4)(A) The Secretary may waive the provisions of paragraph (2) or of section 121(c)(2) to provide a temporary extension of time for a limited number of persons who were originally hired in a public service employment program prior to October 1, 1978, and who continue to be so employed on September 30, 1979, in the case of a prime sponsor which the Secretary determines has faced unusually severe hardships in its efforts to transition public service employees into regular public or private employment not supported under this Act or in the case of Native American entities who operate programs authorized under section 302(c)(1) of this Act.

Post, p. 1962.

"(B) The Secretary may waive the provisions of paragraph (2), with respect to any area served by a unit of general local government which is eligible to be a prime sponsor (or any area served by such a Native American entity) in which the rate of unemployment is equal to or exceeds 7 percent or, in the case of a prime sponsor which is a State, any area under the jurisdiction of a unit of general local government in which the rate of unemployment is equal to or exceeds 7 percent, to provide a temporary extension of time, which shall be no greater than 12 months in duration (and which shall be subject to the provisions of section 121(c)(2)), for persons hired on or after

October 1, 1978, in a public service employment program under any title of this Act in the case of a recipient which the Secretary determines has faced unusually severe hardships in its efforts to transition public service employees into regular public or private employment not supported under this Act because of high unemployment in the area of service.

"(i)(1) Funds under this Act shall not be used to pay wages to any individual employed in a public service job at a rate in excess of $10,000 per year, but such maximum shall be adjusted upward for particular areas served by recipients as determined by the Secretary, on the basis of the wage adjustment index issued in accordance with paragraph (3) of this subsection. In no case shall such maximum be increased by more than 20 percent, except in the case of an area in which the average wage (during the calendar year preceding the beginning of the applicable fiscal year) in employment covered under Federal or State unemployment compensation laws (without regard to any limitation on the amount of such wages subject to contribution under such law) exceeds 150 percent of the national average wage in such employment.

"(2) In order to provide the maximum number of employment and training opportunities under this Act, the Secretary shall issue appropriate standards to be maintained on an area basis with respect to average federally-supported wage rates for public service jobs under this Act. Such standards shall be designed to assure that for particular areas served by recipients, as determined by the Secretary, an annual average federally-supported wage rate per public service jobholder equivalent to $7,200, as adjusted in accordance with the wage adjustment index issued in accordance with paragraph (3) of this subsection, will not be exceeded. Average wage rates established under such standards for public service jobs for each area shall be adjusted annually by the Secretary by a percentage equal to the change in average wages in regular employment not supported under this Act in such area.

Area wage adjustment index.

"(3) The Secretary shall issue and publish annually an area wage adjustment index based upon the ratio which annual average wages in regular public and private employment in various areas served by recipients bear to the average of all such wages nationally, on the basis of the most satisfactory data the Secretary determines to be available.

Post, p. 2012.

"(4)(A) Except as otherwise provided in section 609, no public service employment participant may be provided wages for any public service employment job from sources other than this Act.

"(B) Notwithstanding subparagraph (A), any person in public service employment on September 30, 1978, receiving wages from sources other than this Act may continue to receive such wages.

"(j) Notwithstanding any eligibility limitation on public service employment in this Act, a person who on September 30, 1978, held a public service employment position under this Act may continue in such position subject to subsection (h) of this section.

"(k) All persons employed in public service jobs shall be provided workers' compensation, health insurance, unemployment benefits, and other benefits and working conditions at the same level and to the same extent as other employees working a similar length of time, doing the same type of work and similarly classified. Any such classification must be reasonable and must include nonfederally financed employees, but within any single classification a distinction may be made between public service employees and other employees for purposes of determining eligibility for participation in retirement systems or plans

which provide benefits based on age or service or both. Nothing in this subsection or in section 121(j) shall be deemed to require a contribution to a retirement system or plan for the purpose of providing retirement benefits based on age or service, or both, to a public service employee unless funds under this Act are available, pursuant to section 121(j) to make such contribution.

"(l) The Secretary, through State employment security agencies, shall inform unemployment compensation recipients and other applicants for assistance from the employment security agency of any available public service jobs for which they may be eligible.

"(m) To the extent feasible, public service jobs shall be provided in occupational fields which are most likely to expand within the public and private sectors, and to the extent compatible with such objectives, shall meet community needs including but not limited to community betterment activities (including rehabilitation of public properties, assistance in the weatherization of dwellings occupied by low income families, demonstration of energy conserving measures including solar energy techniques, removal of architectural barriers to access by handicapped persons to public facilities, and neighborhood revitalization), education, health care, transportation services, crime prevention and control, and environmental quality control.

"(n) No individual shall be eligible to be employed in a public service employment position, if such individual has, within 6 months prior to the determination, voluntarily terminated, without good cause, his or her last previous full-time employment at a wage rate not less than the Federal minimum wage as prescribed under section 6(a)(1) of the Fair Labor Standards Act of 1938. 29 USC 206.

"SPECIAL PROVISIONS

"SEC. 123. (a) No authority conferred by this Act shall be used to enter into arrangements for, or otherwise establish, any employment and training programs in the lower wage industries, except for those jobs (1) for which there exists a training program, approved by the Secretary, of a specified length of time designed to teach specific skills, and (2) where the rate of labor turnover does not exceed substantially the rate of labor turnover in other industries in the same area. 29 USC 825.

"(b) The Secretary shall provide for the sharing of the comprehensive employment and training plans between the prime sponsors and other recipients in the prime sponsor's area in order to assure maximum feasible coordination of activities and programs within the area and to minimize duplication.

"(c)(1) Notwithstanding any other provisions of law, employment and training furnished under this Act in connection with weatherization projects may include work on projects for the near poor, including families having incomes which do not exceed 125 percent of the poverty level as determined in accordance with the criteria established by the Director of the Office of Management and Budget, and projects approved by the Community Service Administration pursuant to section 222(a)(5) of the Economic Opportunity Act of 1964 or the Department of Energy pursuant to title IV of the Energy Conservation and Production Act of 1976. 42 USC 2809. 42 USC 6851.

"(2) Recipients of funds under this Act shall assure an adequate number of supervisory personnel for weatherization projects, who shall be adequately trained in skills needed to carry out the project and to instruct participants in skills needed to carry out a project.

"(3) The Secretary shall facilitate and extend projects for work on the weatherization of low income housing in titles II, III, IV, and VI of this Act, so as to achieve the most efficient match of manpower funds to materials funds. The Secretary shall, in coordination with other appropriate agencies, provide technical assistance and otherwise encourage prime sponsors, serving areas where such projects would contribute to energy savings, to develop and continue weatherization projects as part of their programs under this Act to best prepare applicants for employment in energy related jobs in unsubsidized employment.

Post, pp. 1950, 1960, 1970, 2005.

Technical assistance.

Regulations.

"(4) The Secretary shall issue regulations setting forth conditions under which prime sponsors, in carrying out community improvement projects, community betterment activities, and public service employment projects under this Act, may provide work for eligible participants on the rehabilitation of housing for lower-income families as defined in section 8(f)(1) of the United States Housing Act of 1937 as part of community revitalization or stabilization projects.

42 USC 1437f.

"(d)(1) All allocations under this Act shall be based on the latest available data and estimates satisfactory to the Secretary.

"(2) Whenever the Secretary allocates funds required to be allocated by formula under this Act, the Secretary shall publish the proposed amount to be distributed to each prime sponsor.

Publication in Federal Register.

"(3) Whenever the Secretary utilizes a formula to allocate funds made available for distribution in the Secretary's discretion under the Act (except funds appropriated for title III), the Secretary shall, not later than 30 days prior to such allocation, publish the formula in the Federal Register for comment along with the rationale for the formula and the proposed amount to be distributed to each prime sponsor. After consideration of comments received under the preceding sentence, the Secretary shall publish final allocations.

"(e) For purposes of eligibility for participation in a program under this Act, no person shall be considered as unemployed unless such person has been unemployed for at least seven consecutive days.

"(f)(1) All funds received under any title of this Act, which are allowed to be used for administrative costs under the provisions of the title under which they were received, may be pooled by the recipient so that they may be used to administer all programs under this Act, and may be used to plan for the administration of title VI programs without regard to present funding for such programs.

"(2) Nothing in section 121 or this section shall be deemed to authorize the Secretary to pre-approve the selection of legal counsel by a prime sponsor, but the Secretary shall assure that no funds available for administrative costs under any title of this Act are used by a prime sponsor for making payments on contracts for legal or other associated services unless the prime sponsor certifies that—

"(A) the payments are not unreasonable in relation to the fees charged by other contractors providing similar services; and

"(B) the services could not be competently provided through employees of the prime sponsor or other available State or local governmental employees.

Standards and procedures.

"(g) The Secretary, by regulation, shall establish such standards and procedures for recipients of funds under this Act as are necessary to assure against program abuses including, but not limited to, nepotism; conflicts-of-interest; the charging of fees in connection with participation in the program; excessive or unreasonable legal fees; the improper commingling of funds under the Act with funds received from other sources; the failure to keep and maintain sufficient, audit-

able, or otherwise adequate records; kickbacks; political patronage; violations of applicable child labor laws; the use of funds for political, religious, antireligious, unionization, or antiunionization activities; the use of funds for lobbying local, State, or Federal legislators; and the use of funds for activities which are not directly related to the proper operation of the program.

"(h) Pursuant to regulations of the Secretary, income generated under any program may be retained by the recipient to continue to carry out the program, notwithstanding the expiration of financial assistance for that program.

"(i) Every recipient which receives funds directly from the Secretary shall be responsible for the allocation of such funds and the eligibility of those enrolled in the program and shall have responsibility to take action against its subcontractors, subgrantees, and other recipients to eliminate abuse in their programs and to prevent any misuse of funds by such subcontractors, subgrantees, and other recipients. Prime sponsors may delegate the responsibility for determination of eligibility under reasonable safeguards, including provisions for reimbursement of cost incurred because of erroneous determinations made with insufficient care, provided that the Secretary has approved such an arrangement pursuant to the provisions of section 104(a). *Ante*, p. 1922.

"(j) Federal assistance under this Act shall not be used for the payment of a fee for the placement of any persons in a training or employment program under this Act. Nor may any person or organization charge a fee for the placement or referral of any person in or to such program.

"(k) The Secretary shall notify the Governor and the appropriate prime sponsor of any activity to be funded by the Secretary under this Act within the State or prime sponsor area. Notification.

"(l) The Secretary and recipients of financial assistance under this Act shall give special consideration, in carrying out programs authorized by this Act, to community-based organizations, as defined in section 3, which have demonstrated effectiveness in the delivery of employment and training services. *Ante*, p. 1912.

"(m) The Secretary of Labor may assist Native American entities which are eligible to receive assistance under section 302, in applying for financial assistance under the Act.

"WAGES AND ALLOWANCES

"SEC. 124. Except as otherwise provided in this Act, the following allowances and wages shall apply to all activities financed under this Act: 29 USC 826.

"(a)(1) The Secretary shall establish a basic hourly allowance for an individual receiving training for which no wages are payable at a rate which, when added to the amounts of unemployment compensation, if any, received by the trainee, shall be no less than the hourly minimum wage under section 6(a)(1) of the Fair Labor Standards Act of 1938 or, if higher, under the State or local minimum wage law applicable to most employees in the State, and such basic allowances shall, in the case of an individual with dependents be increased by $5 a week for each dependent over 2 up to a maximum of 4 additional dependents. Basic hourly allowance. 29 USC 206.

"(2) Pursuant to regulations of the Secretary, the prime sponsor may increase, decrease, prorate, or waive the basic allowance.

"(3) Except for trainees receiving allowances under part A of title IV, a trainee receiving public assistance, or whose needs or *Post*, p. 1974.

income is taken into account in determining such public assistance payments to others, shall receive an incentive allowance for each hour spent in training not to exceed $30 per week. Such allowance shall be disregarded in determining the amount of public assistance payments under Federal or federally assisted public assistance programs.

"(4) A trainee shall receive no allowances for hours during which the trainee fails to participate without good cause.

"(b) A person in public service employment or similar employment shall be paid wages which shall not be less than the highest of (1) the minimum wage under section 6(a)(1) of the Fair Labor Standards Act of 1938 (2) the minimum wage under the applicable State or local minimum wage law or (3) the prevailing rates of pay for persons employed in similar occupations by the same employer.

29 USC 206.

"(c) Persons in on-the-job training shall be compensated by the employer at such rates, including periodic increases, as may be deemed reasonable under regulations prescribed by the Secretary, considering such factors as industry, geographical region, skill requirements and individual proficiency, but in no event less than the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 or the applicable State or local minimum wage law.

"(d) Persons in work experience shall be paid wages not less than the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 or the applicable State or local minimum wage law.

"LABOR STANDARDS

29 USC 827.

"SEC. 125. All laborers and mechanics employed by contractors or subcontractors in any construction, alteration, or repair, including painting and decorating of projects, buildings, and works which are federally assisted under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 1, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

"SECRETARY'S AUTHORITY AND PERFORMANCE STANDARDS

Rules and regulations.
29 USC 828.

"SEC. 126. (a)(1) The Secretary may, in accordance with chapter 5, title 5, United States Code, prescribe such rules and regulations, including performance standards, as deemed necessary in accordance with paragraph (2). Such rules and regulations may include adjustments authorized by section 204 of the Intergovernmental Cooperation Act of 1968. For purposes of chapter 5 of such title any condition for receipt of financial assistance shall be deemed a rule to which section 553 applies. All such rules, regulations, guidelines, and other published interpretations or orders under this Act shall be published in the Federal Register at least 30 days prior to their effective date. Copies of all such rules, regulations, guidelines, and other published interpretations or orders shall be transmitted to the appropriate committees of the Congress at the same time and shall contain with respect to each

5 USC 500 *et seq.*

5 USC 553.

Publication in Federal Register.

Copies to congressional committees.

material provision of such rules, regulations, guidelines, and other published interpretations or orders, citations to the particular substantive section of law which is the basis therefor.

"(2) The Secretary shall assess the adequacy of each prime sponsor's proposed performance and placement goals in accordance with performance standards which recognize that performance will vary with local conditions and the nature of employment barriers faced by the eligible population to be served. Performance standards shall provide appropriate recognition of differences associated with the degree of disadvantage or handicap of the eligible population, as well as such factors as—

"(A) the local labor market conditions, including the levels of unemployment, and the current and projected labor market demands;

"(B) the economic base of the community, including the growth or decline of industry within the community;

"(C) the distribution of available employment opportunities by industry or occupation, for persons residing within the prime sponsor's area;

"(D) the differing needs of the eligible population which will vary the costs for services and which will require setting different performance standards depending on the disadvantage, handicap, capabilities, and job readiness of the eligible population to be served; and

"(E) such other factors as the Secretary deems appropriate.

"(b) The Secretary may make such grants, contracts, or agreements, establish such procedures and make such payments, in installments and in advance or by way of reimbursement, or otherwise allocate or expend funds made available under this Act, as deemed necessary to carry out the provisions of this Act, including (without regard to the provisions of section 4774(d) of title 10, United States Code) expenditures for construction, repairs, and capital improvements, and including necessary adjustments in payments on account of overpayments or underpayments.

"(c) The Secretary may delegate within the Department of Labor authority over the Office established pursuant to section 135 in order to effectively carry out the purposes of such section.

"(d) The Secretary shall, to the extent feasible, reduce the costs of compliance imposed on prime sponsors by rules and regulations issued under this Act including, but not limited to, the costs of applications, plan preparation, data collection, recordkeeping, report preparation, and other paperwork and regulatory cost burdens.

"(e) In order to reduce paperwork burdens, the Secretary is authorized to consolidate reports required by this Act. Nothing in this subsection shall be construed to reduce or eliminate the requirements established by this Act relating to the furnishing of information by the Secretary.

"(f) Notwithstanding any other provision of this Act, no authority to enter into contracts under this Act shall be effective except to such an extent or in such an amount as are provided in advance in appropriations Acts.

"REPORTS

"SEC. 127. (a) The Secretary shall make such reports and recommendations to the President as the Secretary deems appropriate pertaining to employment and occupational requirements, resources, use, and training, and the President shall transmit to the Congress a 29 USC 829.

report on the same topics not later than March 1 of each year. The first such report submitted after the effective date of the Comprehensive Employment and Training Act Amendments of 1978 shall include recommendations with respect to necessary legislative or administrative changes required to simplify on-the-job training contracting procedures under this Act.

Ante, p. 1909.

"(b) The Secretary and the Secretary of Health, Education, and Welfare shall report to the Congress on the extent to which social services, community colleges, area vocational and technical schools and other vocational education agencies and institutions, and vocational rehabilitation agencies are being utilized to carry out training programs supported in whole or in part under this and related Acts; the extent to which administrative steps have been taken or are being taken to encourage the use of such facilities and institutions and agencies in the carrying out of the provisions of this Act; and any further legislation that may be required to assure effective coordination and utilization of such facilities and agencies to the end that all federally supported employment and training, vocational education, and vocational rehabilitation programs can more effectively accomplish the objective of providing employment and training opportunities to all persons needing such employment and training.

"(c) The Secretary shall annually transmit to the Congress a detailed report which evaluates all programs and activities conducted under this Act, including that information derived from evaluations provided for in section 313. The Secretary shall include specific data concerning the extent to which (1) participants in such activities subsequently secure and retain public or private employment, participate in training or employability development programs, and (2) significant segments of the population of unemployed persons are provided public service employment opportunities. No later than March 1, 1980, the Secretary shall report to Congress proposals for the integration and consolidation of the programs established by part A of title IV and title VII with the program established by title II.

Post, p. 1971.

Post, pp. 1974, 2010.

"(d) In order to assist the Secretary in preparing the report required by this section, the Secretary shall require as a condition of financial assistance that annual reports and evaluations be submitted in accordance with regulations. The data derived from such reports shall be compiled on a State, regional, and national basis, and shall be included in the annual report to the Congress. Such reports shall include but not be limited to the following information:

"(1) a detailed comparison of program performance with approved plan;

"(2) participant characteristics (cross-tabulated);

"(3) average cost per participant; and

"(4) the types of outcomes that participants experience after the program.

"(e)(1) In the annual report to Congress required in subsection (a), the Secretary shall make recommendations for program modification, including recommendations for the succeeding fiscal year, based upon such findings, and other legislative or administrative recommendations as the Secretary deems appropriate.

"(2) In the annual report required in subsection (a), the Secretary shall include a description of the actions, if any, which the Secretary undertook during the fiscal year for which the report is made to reduce the costs of compliance imposed on the prime sponsors by rules or

regulations issued under this Act, as required under section 126(d).

"(f) In the annual report required under subsection (a), the Secretary shall report on the monitoring and auditing activities of the Department, on administrative changes made or proposed to improve such activities, and on actions taken under section 106, and shall make any necessary proposals for legislative action. *Ante*, p. 1926.

"(g) The Secretary shall transmit to the Congress, as a part of the report required by subsection (a), a detailed report on the evaluations and pilot and demonstration projects conducted with funds made available under this Act, including employment service/prime sponsor demonstration projects.

"(h) The Secretary shall, in consultation with the Director of the Office of Management and Budget, submit a report once each year to the Congress on efforts being taken to reduce paperwork and reporting and to comply with the requirements of the Federal Reports Act and management directives of the Office of Management and Budget.

"(i) Any evaluation report, or data, or information collected in preparation of such report submitted under this section or under any other provisions of this Act, or any contract which is made or information pursuant to such contract which is paid for or made with appropriated funds shall be made available upon request, within four days to the chairman or ranking minority member of the Committee on Education and Labor of the House of Representatives and the Committee on Human Resources of the Senate.

"(j) The Secretary shall report to Congress, as part of the annual report for fiscal year 1979, his recommendations for legislative changes designed to increase the representatives and independence of the prime sponsor's planning councils, with special attention to the process for selecting council memberships.

"SERVICES AND PROPERTY

"SEC. 128. The Secretary is authorized, in carrying out functions and responsibilities under this Act, to accept, purchase, or lease in the name of the Department, and employ or dispose of in furtherance of the purposes of this Act, or any title thereof, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise; and to accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes of the United States. 29 USC 830. 31 USC 665.

"UTILIZATION OF SERVICES AND FACILITIES

"SEC. 129. (a) In addition to such other authority as the Secretary may have, the Secretary is authorized, in the performance of functions under this Act, and to the extent permitted by law, to utilize the services and facilities of departments, agencies, and establishments of the United States. The Secretary is also authorized to accept and utilize the services and facilities of the agencies of any State or political subdivision of a State, with its consent. 29 USC 831.

"(b) The Secretary shall carry out responsibilities under this Act through the utilization, to the extent appropriate, of all resources for skill development available in industry, labor, public and private educational and training institutions, vocational rehabilitation agencies, and other State, Federal, and local agencies and other appropriate public and private organizations and facilities, with their consent.

"INTERSTATE AGREEMENTS

29 USC 832.

"SEC. 130. In the event that compliance with provisions of this Act would be enhanced by cooperative agreements between States, the consent of Congress is hereby given to such States to enter into such compacts and agreements to facilitate such compliance, subject to the approval of the Secretary.

"PROHIBITION AGAINST POLITICAL ACTIVITIES

29 USC 833.

"SEC. 131. (a) The Secretary shall not provide financial assistance for any program under this Act which involves political activities.

"(b) Neither the program, the funds provided therefor, nor personnel employed in the administration thereof, shall be, in any way or to any extent, engaged in the conduct of political activities in contravention of chapter 15 of title 5, United States Code.

5 USC 1501 *et seq.*

"NONDISCRIMINATION

29 USC 834.

"SEC. 132. (a) No person in the United States shall on the ground of race, color, religion, sex, national origin, age, handicap, or political affiliation or belief be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in the administration of or in connection with any program or activity funded in whole or in part with funds made available under this Act.

"(b) Whenever the Secretary determines that a recipient of financial assistance has failed to comply with subsection (a) or an applicable regulation, the Secretary, in addition to exercising the powers and functions provided in section 106, is authorized (1) to refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted; (2) to exercise the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d); or (3) to take such other action as may be provided by law. In any case in which the Secretary receives a complaint from any interested person or organization under section 106 with respect to an alleged violation of subsection (a) of this section, the Secretary shall make the determination referred to in the preceding sentence no later than 120 days after receiving such complaint.

Ante, p. 1926.

"(c) When a matter is referred to the Attorney General pursuant to subsection (b), or whenever the Attorney General has reason to believe that a recipient is engaged in a pattern or practice in violation of the provisions of this section, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

"(d) In addition to other remedies, the Secretary is authorized to enforce the provisions of subsection (a) dealing with discrimination on the basis of race, color, religion, sex, national origin, age, handicap, or political affiliation or belief, in accordance with section 602 of the Civil Rights Act of 1964. Section 603 of such Act shall apply with respect to any action taken by the Secretary to enforce such provisions of such subsection. This section shall not be construed as affecting any other legal remedy that a person may have if that person is excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in the administration of or in connection with any program or activity receiving assistance under this Act.

42 USC 2000d-1.
42 USC 2000d-2.

"(e) No participant under this Act shall be discriminated against by reason of citizenship. Participation shall be open to citizens and nationals of the United States, lawfully admitted permanent resident aliens, and lawfully admitted refugees and parolees.

"(f)(1) The Secretary shall review, on a periodic basis, the adequacy of outreach, training, placement, and advancement practices with respect to handicapped individuals by each prime sponsor pursuant to section 103(b)(15) and shall insure that the special needs of such individuals are being met. *Ante*, p. 1918.

"(2) The Secretary shall include in each annual report pursuant to section 127(a) a complete evaluation of the conduct of and achievements in outreach, training, placement, and advancement practices with respect to handicapped individuals by prime sponsors pursuant to section 103(b)(15), including a comparison of such practices and achievements with the preceding year.

"RECORDS, AUDITS, AND INVESTIGATIONS

"SEC. 133. (a) In order to assure that funds provided under this Act are used in accordance with its provisions, the following provisions shall apply. 29 USC 835.

"(1) Every recipient of funds under this Act shall make, keep, and preserve such records as the Secretary shall require with regard to each employee and each participant. Such records, including periodic reports, audits, and examinations, shall be preserved for such time as the Secretary establishes and shall be made available to the Secretary at such time and in such form, including periodic reports, audits, and examinations as the Secretary may require by regulation or order.

"(2) The Secretary may investigate such facts, conditions, practices, or other matters the Secretary deems necessary to determine whether any recipient of funds or any official of such recipient has violated any provision of this Act or of the regulations. Such investigations may include, but need not be limited to, inspecting all records of the recipient (including making certified copies thereof), questioning employees, and entering any premises or onto any site in which any part of the recipient's program is conducted.

"(3) For the purpose of any hearing or investigation authorized under this Act, the provisions of section 9 of the Federal Trade Commission Act (15 U.S.C. 49, relating to the attendance of witnesses and the production of books, papers, and documents) are made applicable to the Secretary.

"(b) The Secretary shall complete all audits of recipients of funds which he deems necessary in a timely fashion following the end of the fiscal year for which the audits are made. In the annual report required under section 127(a), the Secretary shall include a statement of the average delay between the end of each fiscal year and the audits of prime sponsors for such year, the actions, if any, taken by the Secretary to reduce the delay, and the additional funds and personnel the Secretary would need in order to carry out all audits within the 24-month period following the end of the fiscal year for which the audits are made.

"BONDING

"SEC. 134. Every officer, director, agent, or employee of a recipient of funds under this Act who handles funds or other financial assistance received under the Act shall be bonded to provide protection against loss by reason of fraud or dishonesty on such person's part directly or 29 USC 836.

through conspiracy with others. The Secretary shall establish the amount and other bonding requirements by regulation.

"OFFICE OF MANAGEMENT ASSISTANCE

Establishment.
29 USC 837.

"SEC. 135. The Secretary shall establish, in the office of the Secretary, an Office of Management Assistance and shall assign to such office such especially qualified accountants, management specialists, and other professionals as may be necessary and available to provide management assistance to any prime sponsor—

"(1) seeking the service of such office on its own initiative to assist it in overcoming problems in the management, operation, or supervision of any program or project under this Act; and

"(2) identified, pursuant to a complaint investigation, internal audit, or audit or investigation as not being in compliance with any important requirement of this Act, of regulations issued thereunder, or of the comprehensive employment and training plan.

Services under this section may be provided on a reimbursable or nonreimbursable basis, as determined by the Secretary, and shall be allocated in a manner to assure equitable but effective distribution of such services. The Secretary shall periodically publish any proposals for corrective action made by the Office which may be useful to other prime sponsors.

Periodic publications.

"TITLE II—COMPREHENSIVE EMPLOYMENT AND TRAINING SERVICES

"PART A—FINANCIAL ASSISTANCE PROVISIONS

"PURPOSE OF PROGRAM

Establishment.
29 USC 841.

"SEC. 201. It is the purpose of this title to establish programs to provide comprehensive employment and training services throughout the Nation in order to ease barriers to labor force participation encountered by economically disadvantaged persons, to enable such persons to secure and retain employment at their maximum capacity, and to enhance the potential for individuals to increase their earned income. Such programs shall include the development and creation of training, upgrading, retraining, education, and other services needed to enable individuals to secure and retain employment at their maximum capacities so as to increase their earned incomes.

"ALLOCATION OF FUNDS

29 USC 842.

"SEC. 202. (a)(1)(A) Eighty-five percent of the amount available for parts A, B, and C of this title in fiscal year 1979 shall be allocated as follows:

"(i) 50 percent of the amount allocated under this paragraph shall be allocated to each State on the basis of the sums received by the State under title I of the Comprehensive Employment and Training Act of 1973 for fiscal year 1978 compared to the sums received by all States under such title in that year;

"(ii) 37½ percent of the amount allocated under this paragraph shall be allocated to each State on the basis of the relative number of unemployed persons within the State as compared to the number in all States;

"(iii) 12½ percent of the amount allocated under this paragraph shall be allocated to each State on the basis of the relative

number of adults in families with an annual income below the low-income level within the State compared to the total number in all States; and

"(iv) Not less than $2,000,000 shall be allocated among Guam, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and the Northern Marianas in accordance with their respective needs.

"(B) The sum allocated to each State shall be allocated by the Secretary among prime sponsors within the State on an equitable basis based upon the factors set forth in subparagraph (A).

"(2)(A) Eighty-five percent of the amount available for parts A, B, and C of this title in fiscal years 1980, 1981, and 1982 shall be allocated as follows:

"(i) two-thirds of such amount shall be allocated in accordance with the provisions of subparagraph (B) of this paragraph; and

"(ii) one-third of such amount shall be allocated in accordance with the provisions of subparagraph (C) of this paragraph.

"(B) The amount allocated under this subparagraph shall be allocated as follows:

"(i) 50 per centum of the amount allocated under this subparagraph shall be allocated on the basis of the amount allocated to the prime sponsor under this subparagraph (or under paragraph (1)) in the fiscal year prior to the year for which the determination is made compared to the amount so allocated to all prime sponsors in that year;

"(ii) 37½ per centum of the amount allocated under this subparagraph shall be allocated on the basis of the relative number of unemployed persons within jurisdiction of the prime sponsor as compared to such numbers in all such jurisdictions;

"(iii) 12½ per centum of the amount allocated under this subparagraph shall be allocated on the basis of the relative number of adults in families with an annual income below the low-income level within the jurisdiction of the prime sponsor compared to such total numbers in all such jurisdictions; and

"(iv) not less than $2,000,000 shall be allocated among Guam, the Virgin Islands, the Northern Marianas, American Samoa, and the Trust Territory of the Pacific Islands, in accordance with their respective needs.

"(C) The amount allocated under this subparagraph shall be allocated among prime sponsors in accordance with the number of unemployed persons residing in areas of substantial unemployment within the jurisdiction of the prime sponsor compared to the number of unemployed persons residing in all such areas.

"(b) Six percent of the funds available for parts A, B, and C of this title shall be available only for grants under section 204 for supplemental vocational education assistance.

"(c) One percent of the amount available for parts A, B, and C of this title shall be available to the Secretary to be allocated in the same manner as provided under subsection (a) to States for the costs of the State employment and training council incurred in carrying out the provisions of section 110, except that no State shall receive an allocation of less than $50,000. If any State does not need the amount allocated under this subsection for any fiscal year, that amount shall be available for the Governor's coordination and special services under section 105.

Ante, p. 1930.

Ante, p. 1925.

"(d) One percent of the amounts available for this title shall be available to the Governor of each State in the same proportion as that

State's allocation under subsection (a) for encouraging coordination and establishing linkages between prime sponsors and appropriate educational agencies and institutions, and institutions providing training programs which are approved by the Secretary, and for services for eligible participants delivered jointly by employment and training agencies and appropriate educational agencies and institutions.

"(e) Four percent of the amounts available for parts A, B, and C of this title shall be available to each Governor in the same proportion as that State's allocation under subsection (a), for the Governor's coordination and special services under section 105, and, when deemed necessary by the Governor, for additional support of State employment and training councils.

Ante, p. 1925.

"(f)(1) The remainder of the funds shall be available in the Secretary's discretion to be distributed among prime sponsors (or where a prime sponsor's comprehensive employment and training plan has not been approved, an area served by the Secretary under the authority in section 102) in accordance with the provisions of paragraph (2).

"(2)(A) The Secretary shall first utilize such funds to assure that each prime sponsor is provided with (i) an amount for fiscal year 1979 equal to 90 percent of the sum of the funds available for expenditure during fiscal year 1978 by such prime sponsor under section 103(a)(2), (f), and (g) (as in effect prior to the enactment of the Comprehensive Employment and Training Act Amendments of 1978); (ii) an amount for fiscal year 1980, equal to 90 percent of the sum of the funds available for expenditure during fiscal year 1979 by prime sponsors under subsection (a)(1); or (iii) an amount for any fiscal year beginning on or after October 1, 1980, equal to 90 percent of the sum of the funds available for expenditure during the preceding fiscal year by such prime sponsor under subsection (a)(2).

29 USC 813.

"(B) The Secretary shall next use such funds (i) to provide continued support for concentrated employment program grantees serving rural areas having high levels of unemployment, and (ii) to allocate among the prime sponsors serving areas within those standard metropolitan statistical areas and central cities for which current population surveys were used to determine annual unemployment data prior to January 1, 1978, in proportion to the extent to which such prime sponsors allocations under this subsection are reduced as a result of termination of the use of such surveys, but in no event shall such a prime sponsor receive an amount in excess of the amount of such reduction. The allocations required under clause (ii) of this subparagraph shall not be made for any fiscal year beginning on or after October 1, 1980, or until such time as the Secretary determines that current population survey data is available for use on a satisfactory basis for such areas and the remaining area of each State, whichever occurs first.

"(C) The Secretary shall next use such funds as needed to provide continued funding of programs of demonstrated effectiveness, and to encourage, after consultation with and receiving recommendations from the Governor of the appropriate State, voluntary consortia (formed under section 101(a)(3)) where the Secretary determines, pursuant to regulations, that such consortia demonstrate advantages in delivering employment and training services to substantial portions of functioning labor market areas.

Ante, p. 1917.

"(g) Prime sponsors are authorized to use funds allocated under this section to support prime sponsor planning councils.

"CONDITIONS FOR RECEIPT OF FINANCIAL ASSISTANCE

"SEC. 203. (a) The Secretary shall not provide financial assistance for any fiscal year to a prime sponsor unless the prime sponsor submits a satisfactory comprehensive employment and training plan pursuant to section 103. 29 USC 843.

Ante, p. 1918.

"(b) Not more than 6.5 per centum of each prime sponsor's allocation under section 202(a) may be used for programs and activities under part C of this title.

"(c)(1) The Secretary shall not provide financial assistance under this title for any fiscal year to a prime sponsor unless the prime sponsor provides assurances that (consistent with needs identified in the prime sponsor's plan submitted under section 103(a)) it shall make agreements with State or local educational agencies or postsecondary educational institutions for the conduct of employment and training programs, which programs may consist of—

"(A) vocational training designed to prepare individuals for employment;

"(B) instruction in basic cognitive skills necessary to obtain employment or pursue further education or training designed to prepare individuals for employment;

"(C) employment of persons in schools controlled by such agencies or in postsecondary institutions; and

"(D) such other employment and training activities as may be consistent with the purposes and provisions of this title.

"(2) Each such agreement entered into under this subsection shall describe in detail the employment opportunities and appropriate educational, training, or other services to be provided, and shall contain provisions to assure that funds utilized pursuant to the agreement will not supplant State or local funds expended for the same purpose.

"(3) In the event a prime sponsor is unable to reach agreements with the appropriate educational agencies or institutions, or in the event such agencies or institutions are dissatisfied with the utilization of their facilities proposed by the prime sponsor, either may request the Secretary to review such arrangements and the Secretary, after affording an opportunity for a hearing and taking into consideration such factors as he considers relevant, may take such action as he deems appropriate within 90 days after receiving such a request.

"SUPPLEMENTAL VOCATIONAL EDUCATION ASSISTANCE

"SEC. 204. (a)(1) From the funds available to him for this section, the Secretary shall make grants to Governors to provide financial assistance, through State vocational education boards, to provide needed vocational education services in areas served by prime sponsors, in accordance with an agreement between the State vocational education board and the prime sponsor. 29 USC 844.

"(2) The State vocational education board, prior to making any agreement with a prime sponsor as provided in paragraph (1), shall consult with and obtain the advice and comment of the designated representatives of the State agencies and councils which are required to be involved in the formulation of the five-year State plan for vocational education pursuant to section 107(a)(1) of the Vocational Education Act of 1963. 20 USC 2307.

"(b) All of the sums available to carry out this section shall be allocated among the States in the manner provided for allocating funds under section 202(a).

"(c)(1) Not less than 85 percent of the funds available under this section shall be used only for providing vocational education and services to participants in programs under this Act.

"(2) The remainder of the funds available under this section may be used—

"(A) to coordinate programs under this Act with existing vocational education programs;

"(B) to coordinate the utilization of funds under this Act and the Vocational Education Act of 1963 to enhance economic growth and development in the State;

20 USC 2301 note.

"(C) to develop linkages between vocational education, education, and training programs under this Act and private sector employers;

"(D) to provide technical assistance to vocational education institutions and local education agencies to aid them in making cooperative arrangements with appropriate prime sponsors;

"(E) to provide information, curriculum materials, and technical assistance in curriculum development and staff developments to prime sponsors.

"PARTICIPANT ASSESSMENT

29 USC 845.

"SEC. 205. (a) In order to assess the appropriate mixture of training or employment services, or both, needed by each individual receiving assistance under this title, the prime sponsor shall assist each such individual to establish a personalized employability plan. In establishing such plan, prime sponsors shall take into consideration an individual's skills, interests, and career objectives, subject to the availability of services, and shall consider the barriers to employment or advancement faced by that individual in order to assist that individual to attain unsubsidized employment.

"(b) An assessment of appropriate training and supportive services shall be made at the time of entrance to a program assisted in part or in whole by this title, which shall be reviewed periodically throughout the duration of the individual's participation in a program funded under this title. Such assessment shall be included in each individual's employability plan.

"PART B—SERVICES FOR THE ECONOMICALLY DISADVANTAGED

"DESCRIPTION OF PROGRAM

29 USC 846.

"SEC. 211. Comprehensive employment and training services may include, but need not be limited to, the following:

"(1) job search assistance, including orientation, counseling, and referral to appropriate employment and training opportunities;

"(2) outreach to make persons aware of the availability of, and to encourage them to use, employment and training services;

"(3) supported work programs or activities;

"(4) education and institutional skill training to prepare persons to enter the labor market, or to qualify for more productive job opportunities and increased earnings;

"(5) on-the-job training and training leading to self-employment in small business;

"(6) work experience programs providing employment opportunities for eligible individuals unable to attain employment with

public or private sector employers, which shall be designed to increase the employability of the participants through development of work habits, occupational skills, and linkages with other training programs, or to provide temporary employment to individuals who are seeking suitable placement in classroom training, on-the-job training, public service employment, or other such employment and training opportunities;

"(7) payments or other inducements to public or private employers to expand job opportunities, in accordance with section 121(l);

"(8) services to individuals to enable them to retain employment;

"(9) supportive services, including, but not limited to, necessary health care, child care, residential support, or assistance in securing bonds, and transportation, needed to enable individuals to participate in employment and training;

"(10) development of labor market information, and activities such as job restructuring, to make the program more responsive to the needs of the eligible population;

"(11) training, employment opportunities, and related services conducted by community based organizations;

"(12) part-time, flexitime, and other alternative working arrangements for individuals who are unable because of age, handicap, or other factors to work full-time;

"(13) payment of allowances to persons in training for which they receive no remuneration, and payment of such allowances for transportation, subsistence, or other expenses incurred in training or employment; and

"(14) any programs or activities authorized by part A of title III, title IV, and title VII of this Act. *Post*, pp. 1974, 2010.

"LIMITATIONS ON USE OF FUNDS

"SEC. 212. (a) No prime sponsor may use funds allocated for parts A, B, and C for public service employment. 29 USC 847.

"(b) Work experience programs conducted under this part, except for in-school youth, shall—

"(1) be designed to lead to unsubsidized employment, and

"(2) be subject to the limitations on duration specified in section 121(c)(2) and section 121(i), *Ante*, p. 1934.

unless the prime sponsor's plan as approved by the Secretary establishes that the lack of alternative job opportunities in the area makes such conditions and limitations impractical.

"ELIGIBILITY FOR PARTICIPATION

"SEC. 213. A person shall be eligible to participate in a program receiving financial assistance under this part only if such person is economically disadvantaged and either unemployed, underemployed, or in school. 29 USC 848.

"SERVICES FOR YOUTH

"SEC. 214. (a) Services for youth under this part shall be designed to assist eligible participants in overcoming the particular barriers to employment experienced by youth, including lack of basic educational or vocational skills, insufficient preparation for the personal adaptations necessary for labor force participation, inability to find or suc- 29 USC 849.

cessfully apply for employment, financial barriers to labor force participation, and lack of appropriate job opportunities.

"(b) The Secretary shall insure that each prime sponsor's plan for serving eligible youth under this part includes—

"(1) provisions for coordinating activities under this part with activities under part A of title IV of this Act;

"(2) assurances that, to the maximum extent feasible, the activities enumerated in section 432 of this Act, except for public service employment, will be utilized to serve youth under this part; and

"(3) procedures for review of such plans by the youth council established under section 436(b) of this Act.

Post, p. 1982.

Post, p. 1985.

"SERVICES FOR OLDER WORKERS

29 USC 850.

"SEC. 215. (a) Services for older workers under this part shall be designed to assist eligible participants in overcoming the particular barriers to employment experienced by older workers, including skills that are obsolete or no longer needed in the community, changing physical characteristics associated with aging, employer reluctance to hire older workers, financial barriers to labor force participation, and lack of appropriate job opportunities.

"(b) The Secretary shall insure that each prime sponsor's plan for serving eligible older workers under this part includes provisions for utilizing activities including activities described in section 308 and coordinating services for older workers under this part with programs and services provided by senior centers, area agencies on aging, and State agencies on aging (as designated under the Older Americans Act of 1965).

42 USC 3001 note.

"SERVICES FOR PUBLIC ASSISTANCE RECIPIENTS

29 USC 851.

"SEC. 216. (a) Services for public assistance recipients under this part shall be designed to assist eligible participants in overcoming the particular barriers to employment experienced by such recipients, including lack of basic educational or vocational skills, insufficient preparation for the personal adaptations necessary for labor force participation, inability to find or successfully apply for employment, inability to obtain transportation to employment opportunities, medical problems, inability to obtain satisfactory child care, and lack of appropriate job opportunities.

"(b) The Secretary shall insure that each prime sponsor's plan for serving eligible public assistance recipients under this part includes provisions for coordinating services assisted under this part with other programs assisted under this Act; and with services provided by State and local public assistance agencies.

"PART C—UPGRADING AND RETRAINING

"OCCUPATIONAL UPGRADING AND RETRAINING

29 USC 852.

"SEC. 221. (a) Pursuant to regulations of the Secretary, prime sponsors may provide financial assistance to public and private employers for the costs associated with occupational upgrading programs, including supportive services, through agreements with public and private employers for the employees of such employers. Individuals eligible for such programs shall be individuals operating at less than their

full skill potential, primarily those in entry level positions or positions with little normal advancement opportunities. In any program receiving financial assistance under this section—

"(1) the positions for which employees are being upgraded shall be positions not regularly available to entry level employees, and for which adequately trained persons are not available;

"(2) the selection of employees for upgrading shall be based upon potential and the lack of availability for advancement in a normal promotional line;

"(3) the education and skill training content of the upgrading program shall provide employees with a reasonable progression resulting in qualifications for a recognized position of greater skill, responsibility, remuneration, or career advancement in the service of that employer;

"(4) the training period for upgrading shall be reasonable and consistent with periods customarily required for comparable training;

"(5) adequate personnel, attendance and progress records shall be maintained;

"(6) the program shall be designed, to the extent feasible, so that additional vacancies are created for new entry level employees;

"(7) compensation shall be paid by the employer at rates, including periodic increases, as the Secretary deems reasonable, considering such factors as industry practice, skill requirements, individual proficiency, and the geographical region, but not at rates less than that received before upgrading; and

"(8) successful completion shall be expected to result in employment with the employer in the occupation for which the employee has been upgraded and at not less than prevailing wages.

Retraining programs.

"(b) (1) Pursuant to regulations of the Secretary, prime sponsors may conduct retraining programs, including supportive services, directly or through agreements with public and private employers or other organizations or agencies.

"(2) Entry into retraining programs shall be only for individuals who have previously received a bona fide notice of impending layoff, and who are determined, pursuant to regulations of the Secretary, to have little opportunity to be reemployed in the same or equivalent occupation or skill level within the labor market area.

"(3) Retraining programs shall meet such standards as the Secretary shall establish by regulation.

"(c) If upgrading or retraining is for or from jobs covered by collective bargaining agreements, agreements with employers to carry out such programs shall have the concurrence of labor organizations representing employees in such jobs.

"PART D—TRANSITIONAL EMPLOYMENT OPPORTUNITIES FOR THE ECONOMICALLY DISADVANTAGED

"STATEMENT OF PURPOSE

29 USC 853.

"SEC. 231. It is the purpose of this part to provide economically disadvantaged persons who are unemployed with transitional employment in jobs providing needed public services, and related training and services to enable such persons to move into employment or training not supported under this Act.

"FINANCIAL ASSISTANCE

29 USC 854.

"SEC. 232. (a) The Secretary shall provide financial assistance to prime sponsors for transitional public service employment for economically disadvantaged persons who are unemployed. Such employment—

"(1) shall be entry level;

"(2) shall be combined with training and supportive services if such training and services are reasonably available in the area; and

"(3) shall be designed to enable participants to move into unsubsidized employment.

"(b)(1) Not more than 10 percent of the funds allocated to a prime sponsor in accordance with the provisions of this part may be used for administrative and other allowable costs (such as supplies, materials, and equipment) incurred by the prime sponsor, program agents, project applicants, or subgrantees or contractors, in accordance with such regulations as the Secretary may prescribe.

"(2) Not less than—

"(A) 10 percent of the funds so allocated for fiscal year 1979;

"(B) 15 percent of the funds so allocated for fiscal year 1980;

"(C) 20 percent of the funds so allocated for fiscal year 1981;

"(D) 22 percent of the funds so allocated for fiscal year 1982;

shall be used only for training.

"(3) The remainder of the funds so allocated may be expended only for wages, employment benefits, training, and supportive services, to persons employed in public service employment under this part.

"ALLOCATION OF FUNDS

29 USC 855.

"SEC. 233. (a) Funds made available for carrying out this part shall be allocated among prime sponsors by the Secretary in accordance with subsection (b).

"(b) The Secretary shall reserve an amount equal to not less than 2 percent of the amounts made available pursuant to section 232 for any fiscal year to enable Native American entities which are described in section 302(c)(1)(A) to carry out public service employment programs under this part. Eighty-five percent of the amounts made available for this part for any fiscal year shall be allocated in accordance with subsection (c).

Supra.

"(c)(1) Twenty-five percent of the amount allocated under this subsection shall be allocated among prime sponsors in proportion to the relative number of unemployed persons who reside in areas within the jurisdiction of each such prime sponsor as compared to the number of unemployed persons who reside in all such areas in all the States.

"(2) Twenty-five percent of the amount allocated under this subsection shall be allocated among prime sponsors on the basis of the relative excess number of unemployed persons who reside within the jurisdiction of the prime sponsor as compared to the total excess number of unemployed persons who reside within the jurisdiction of all prime sponsors. For purposes of this subparagraph, the term 'excess number' means (i) the number which represents unemployed persons in excess of 4½ percent of the labor force in the jurisdiction of the prime sponsor in whose jurisdiction such persons reside, or (ii) in the case of a prime sponsor which is a State, the term 'excess number' means such number as defined in clause (i) or the number which represents unemployed persons in excess of 4½ percent of the labor force in areas of substantial unemployment.

"Excess number."

"(3) Twenty-five percent of the amount allocated under this subsection shall be allocated among prime sponsors in accordance with the number of unemployed persons residing in areas of substantial unemployment within the jurisdiction of the prime sponsor compared to the number of unemployed persons residing in all areas of substantial unemployment.

"(4) Twenty-five percent of the amount allocated under this subsection shall be allocated on the basis of the relative number of adults in families with an annual income below the low-income level within the jurisdiction of the prime sponsor compared to such total numbers in all such jurisdictions.

"(d)(1) The Secretary shall, from the remainder of the funds made available under this part, first use such remainder— Remainder of funds.

"(A) to provide continued support for concentrated employment program grantees serving rural areas having high levels of unemployment, and

"(B) to allocate among the prime sponsors serving areas within those standard metropolitan statistical areas and central cities for which current population surveys were used to determine annual unemployment data prior to January 1, 1978, in proportion to the extent to which such prime sponsors allocations under this section and title IV are reduced as a result of termination of the use of such surveys, but in no event shall such a prime sponsor receive an amount in excess of the amount of such reduction.

The allocations required under clause (B) of this subparagraph shall not be made for any fiscal year beginning on or after October 1, 1980, or until such time as the Secretary determines that current population survey data is available for use on a satisfactory basis for such areas and the remaining area of each State, whichever occurs first.

"(2) The remainder of the amount made available under this part shall be available to the Secretary for financial assistance to prime sponsors and Native American entities described in section 302(c)(1)(A) as the Secretary deems appropriate.

"(e) For purposes of making allocations under subsections (c)(1) and (c)(2) of this section, the Secretary shall use average annual data for the most recent 12-month period for which satisfactory data are available.

"EXPENDITURE OF FUNDS

"SEC. 234. Funds available for the purposes of this part shall be utilized by prime sponsors for public service employment activities, or projects carried out by project applicants as defined in section 3, or for activities set forth in section 211. 29 USC 856. *Ante*, p. 1912.

"PRIME SPONSORS AND PROGRAM AGENTS

"SEC. 235. The provisions set forth in section 606 of this Act shall be applicable to this part. 29 USC 857. *Post*, p. 2008.

"ELIGIBILITY

"SEC. 236. (a) An individual eligible to be employed in a position supported under this part shall be a person (1) who has been unemployed for at least 15 weeks and who is economically disadvantaged, or (2) who is, or whose family is receiving aid to families with dependent children provided under a State plan approved under part A of title IV of the Social Security Act, or who is receiving supplemental security income benefits under title XVI of the Social Security Act. 29 USC 858. 42 USC 601. 42 USC 1381.

"(b) The provisions of section 122(h) shall apply to duration of participation under this part. *Ante*, p. 1938.

"WAGES

29 USC 859.

"SEC. 237. (a) Wages to individuals employed in public service employment under this part shall be paid in accordance with sections 122(i) and 124.

Ante, pp. 1938, 1943.

"(b) Public service employment participants under this part may not have their wages supplemented by the payment of any additional wages for such employment from any source whatever, except as provided in section 122(i)(4)(B).

"TITLE III—SPECIAL FEDERAL RESPONSIBILITIES

"PART A—SPECIAL NATIONAL PROGRAMS AND ACTIVITIES

"SPECIAL PROGRAMS AND ACTIVITIES

29 USC 871.

"SEC. 301. (a) The Secretary shall use funds available under this title to provide services authorized under all titles of this Act and for employment and training programs that—

"(1) meet the employment-related needs of persons who face particular disadvantages in specific and general labor markets or occupations, including offenders, persons of limited English language proficiency, handicapped individuals, women, single parents, displaced homemakers, youth, older workers, individuals who lack educational credentials, public assistance recipients, and other persons whom the Secretary determines require special assistance;

"(2) are most appropriately administered from the national level, such as programs sponsored by public agencies or private organizations that conduct federally assisted activities in more than one State;

"(3) foster new or improved linkages between Federal, State, and local employment and training agencies and components of the private sector, such as the business community, organized labor, and community based organizations;

"(4) provide continued support for programs of demonstrated effectiveness;

"(5) eliminate or reduce critical skill shortages in the Nation's labor force; and

"(6) serve individuals who become unemployed as a result of large-scale loss of jobs in a locality, caused by the closing of a facility, mass layoffs, natural disasters, or similar circumstances;

Financial assistance for displaced homemakers.

"(b)(1)(A) The Secretary shall make available financial assistance to conduct programs to provide employment opportunities and appropriate training and supportive services (through multipurpose projects or otherwise) to displaced homemakers. Such training and supportive services shall include, but not be limited to, job training, job readiness services, job counseling, job search, and job placement services; outreach and information services, including information on available education opportunities; and referrals (through coopecative arrangements, to the maximum extent feasible) to health, financial management, legal, public assistance, and other appropriate supportive services in the community being served. To the maximum extent feasible, activities supported under this paragraph shall be coordinated with and supplement, but not supplant, activities supported under other titles of this Act and shall emphasize training and other employment related services for participants that are designed to

enhance their employability and earnings. Programs shall concentrate on creating new jobs in the private sector for displaced homemakers in order to meet identified needs within the community. To the maximum extent feasible, supervisory, technical, and administrative positions within the programs shall be filled by displaced homemakers. Priority for participation in projects supported under this paragraph shall be given to displaced homemakers who, as provided in regulations which the Secretary shall prescribe, are most in need of services by virtue of age, education, training, household support obligations, and employability.

"(B) No funds available under this section shall be used for the purchase, construction, or major rehabilitation of facilities.

"(C) For the purposes of carrying out this subsection, the Secretary shall reserve not more than 2 percent of the funds made available to carry out this title.

Financial assistance for offenders.

"(2) The Secretary shall make financial assistance available to conduct a program for offenders to provide employment, training and related assistance and supportive services (including basic education, drug addiction or dependency rehabilitation and health care) which will enable them to secure and retain meaningful employment. The Secretary shall support activities designed to enable offenders to secure meaningful training and employment including but not limited to those services which provide highly structured and supervised employment opportunities, such as employment and training opportunities proven effective under section 311(c). Emphasis shall be placed upon serving offenders in contact with the criminal justice system or recently released from criminal justice custody or supervision. Services shall be comprehensive, and recipient of funds shall coordinate their activities with other providers of employment and training assistance. Grants may also be provided to the States or prime sponsors for the establishment of units for planning and evaluation of correctional employment and training assistance to offenders. The Secretary may provide for appropriate arrangements with employers and labor organizations, and appropriate parole, probationary, and judicial authorities, for the utilization of training equipment comparable to that currently used for the job for which training is furnished. To support such programs the Secretary shall develop information concerning the special needs of offenders for such services, including special studies regarding the incidence of unemployment among offenders and the means of increasing employment opportunity for offenders. As part of the reporting requirements under section 127(a), the Secretary shall also conduct an annual survey of prime sponsors and States receiving assistance under this Act for the purpose of assessing the scope and implementation of offender programs.

Grants.

Studies.

Survey.

"(3) With respect to programs for persons of limited English-speaking ability under this Act, the Secretary shall establish appropriate procedures to ensure that participants are provided with employment and training and related assistance and supportive services (where feasible, at times designed to meet the needs of individuals unable to attend during normal working hours) designed to increase the employment and training opportunities for unemployed and underemployed persons of limited English-speaking ability, including (A) the teaching of occupational skills in the primary language of such persons for occupations which do not require a high proficiency in English, and (B) developing new employment opportunities for limited English-speaking persons and opportunities for promotion within existing employment situations for such persons, including

programs for the dissemination of appropriate information, and job placement, and counseling assistance, and the conduct of training and employment programs, in the primary language of such persons, as well as programs designed to increase the English-speaking ability of such persons.

"(4) The Secretary shall make financial assistance available to conduct programs for handicapped individuals, youth, single parents, and older workers to provide employment, training and related assistance and supportive services which will enable them to secure and retain meaningful employment. Such programs shall be designed to assist in eliminating artificial and other employment barriers faced by such persons.

Report to Congress.

"(c) The Secretary shall report to the Congress not later than March 1 of each year with detailed information and analysis of the programs conducted pursuant to this section. The information required by this subsection may be included in the annual report of the Secretary under section 127(a).

Allocation of funds.

"(d) Funds allocated to recipients for purposes of this section shall be used to supplement funds which otherwise would be used for purposes of undertaking the same or similar programs and activities for such persons.

"(e) To the extent appropriate, programs financed under this part shall be coordinated with programs conducted by prime sponsors under this Act, and the Secretary shall notify such prime sponsors of the funding of an employment and training program under this part.

"(f) Notwithstanding any other provisions of this Act, eligibility requirements for programs for workers age fifty-five and older, which were established under title X of the Public Works and Economic Development Act of 1965, and which thereafter have been funded under section 304 of this Act prior to the enactment of the Comprehensive Employment and Training Act Amendments of 1978, shall be those which applied when the programs were established under title X.

42 USC 3246.

Ante, p. 1909.

"(g) The Secretary shall establish a special program for the funding of local workshops for the training of youths and other individuals who wish to pursue careers as self-employed owners and managers of small businesses. Such workshops should provide instruction in management techniques, business communication skills, motivational training, special problems in business operation, advice concerning Federal and State regulations, preparation of financial statements and loan applications, recordkeeping, development of marketing techniques, and information on beneficial resources available within the community.

"NATIVE AMERICAN EMPLOYMENT AND TRAINING PROGRAMS

29 USC 872.

"SEC. 302. (a) The Congress finds that (1) serious unemployment and economic disadvantage exist among members of Native American Indian, Alaskan Native, and Hawaiian native communities; (2) there is a compelling need for the establishment of comprehensive training and employment programs for members of those communities; and (3) such programs are essential to the reduction of economic disadvantage among individual members of those communities and to the advancement of economic and social development in these communities consistent with their goals and lifestyles.

"(b) The Congress therefore declares that, because of the special relationship between the Federal Government and most of those to be

served by the provisions of this section, (1) such programs can best be administered at the national level; (2) such programs shall be available to federally recognized Native American Indian tribes, bands, and groups and to other groups and individuals of Native American descent such as, but not limited to, the Lummis in Washington, the Menominees in Wisconsin, the Klamaths in Oregon, the Oklahoma Indians, the Passamaquoddys and Penobscots in Maine, and Eskimos and Aleuts in Alaska, and Hawaiian natives; and (3) such programs shall be administered in such a manner as to maximize the Federal commitment to support growth and development as determined by representatives of the communities and groups served by this section.

"(c)(1)(A) In carrying out responsibilities under this section, the Secretary shall, wherever possible, utilize Native American Indian tribes, bands, or groups on Federal or State reservations (including Alaska Native villages or groups as defined in the Alaska Native Claims Settlement Act of December 18, 1971) and the Oklahoma Indians, having a governing body and such public agencies and private nonprofit organizations as the Secretary determines will best serve Native Americans, for the provision of employment and training services under this section. When the Secretary determines that such tribe, band, or group has demonstrated the capability to effectively administer a comprehensive employment and training program, the Secretary shall require such tribe, band, or group to submit a comprehensive plan meeting such requirements as the Secretary prescribes.

43 USC 1601 note.

Submission of plan.

"(B) The Secretary shall arrange for programs to meet the employment and training needs of Hawaiian natives through such public agencies or private nonprofit organizations as the Secretary determines will best meet their needs.

Hawaiian natives.

"(2) In carrying out responsibilities under this section, the Secretary shall make arrangements with prime sponsors and organizations (meeting requirements prescribed by the Secretary) serving nonreservation Native Americans for programs and projects designed to meet the needs of such Indians for employment and training and related services.

"(d) Whenever the Secretary determines not to utilize Native American Indian tribes, bands, or groups for the provision of employment and training services under this section, the Secretary shall, to the maximum extent feasible, enter into arrangements for the provision of such services with public agencies or private nonprofit organizations which meet with the approval of the tribes, bands, or groups to be served.

"(e) The Secretary is directed to take appropriate action to establish administrative procedures and machinery (including personnel having particular competence in this field) for the administration of Native American employment and training programs authorized under this Act.

"(f) Funds available for this section shall be expended for programs and activities consistent with the purposes of this section including but not limited to such programs and activities carried out by prime sponsors under other provisions of this Act.

"(g) For the purpose of carrying out this section, the Secretary shall reserve from funds available for this title an amount equal to not less than 4.5 percent of the amount allocated pursuant to section 202(a).

Allocation of funds.

"(h) No provision of this section shall abrogate in any way the trust responsibilities of the Federal Government to Native American bands, tribes, or groups.

"MIGRANT AND SEASONAL FARMWORKER EMPLOYMENT AND TRAINING PROGRAMS

29 USC 873.

"SEC. 303. (a) The Congress finds and declares that—

"(1) chronic seasonal unemployment and underemployment in the agricultural industry, substantially affected by recent advances in technology and mechanization, constitute a substantial portion of the Nation's rural employment problem and substantially affect the entire national economy; and

"(2) because of the special nature of farmworker employment and training problems such programs can best be administered at the national level.

"(b)(1) The Secretary shall meet the employment and training needs of migrants and seasonal farmworkers through public agencies and private nonprofit organizations, including, but not limited to, programs and activities carried out by prime sponsors under other provisions of this Act, as the Secretary determines have an understanding of the problems of migrant and seasonal farmworkers, a familiarity with the area to be served, and a capability to administer effectively a comprehensive employment and training program for migrant and seasonal farmworkers.

"(2) Programs supported under this section shall include, but not be limited to, employment and training in traditional as well as newly developing agricultural occupations and related assistance and supportive services.

Grants or contracts.

"(c)(1) In awarding a grant or contract for services administered under this section, the Secretary shall not assign any preferential weighting factor to an application therefor by virtue of the fact that the applicant holds at the time of application a prior grant or contract to provide services under this section; nor shall the Secretary assign any negative weighting factor to an application by virtue of the fact that an applicant is an instrumentality of State government.

Postsecondary schooling, program continuation.

"(2) In carrying out programs and activities under this section, the Secretary shall continue in operation any program which is in existence on the effective date of this paragraph and—

"(A) which is—

"(i) operated through the use of the facilities of any institution of higher education; and

"(ii) designed to assist migrant and seasonal farmworkers who are beyond the age of compulsory school attendance in the State in which the institution is located, through tutoring, counseling, and other similar assistance, in the completion of courses necessary to receive a high school diploma or its equivalent; or

"(B) which serves migrant and seasonal farmworkers who are enrolled in a full-time basis in the first academic year of an undergraduate program at any institution of higher education, and the dependents of migrant and seasonal farmworkers if such dependents are so enrolled by—

"(i) aiding such individuals in carrying out the transition from secondary school to postsecondary school programs;

"(ii) generating motivation necessary for success in education beyond secondary school; and

"(iii) providing counseling, tutorial, and similar educational services designed to assist such individuals during their first academic year at such institution.

The Secretary shall continue the operation of any such program for so long as such program is consistent with the purposes of this section, as determined by the Secretary.

Allocation of funds.

"(3) For the purpose of carrying out this section, the Secretary shall reserve from funds available for this title an amount equal to not less than 5 percent of the amount allocated pursuant to section 202(a).

Consultation and agreements.

"(e) In administering programs under this section, the Secretary shall consult with appropriate State and local officials and may enter into agreements with such officials to assist in the operation of such programs. In implementing this section the Secretary shall determine in consultation with appropriate State and local educational agencies, that no substantial duplication will exist.

"JOB SEARCH AND RELOCATION ASSISTANCE

29 USC 874.

"SEC. 304. (a) The Secretary is authorized to carry out job search and relocation assistance through agreements with States, State agencies or prime sponsors.

"(b) Job search assistance shall be available to economically disadvantaged, unemployed, and underemployed persons.

Loans or grants.

"(c)(1) Relocation assistance may be provided in the form of loans or grants, or both, subject to such standards as the Secretary establishes.

"(2) Relocation assistance shall be available only to involuntarily unemployed individuals who cannot reasonably be expected to secure fulltime employment in the community in which they reside, and have bona fide offers of employment (other than temporary or seasonal employment).

"VETERANS INFORMATION AND OUTREACH

29 USC 875.
Consultation.

"SEC. 305. The Secretary, in consultation and cooperation with the Administrator of Veterans Affairs and the Secretary of Health, Education, and Welfare, shall provide for an outreach and public information program utilizing, to the maximum extent, the facilities of the Departments of Labor and Health, Education, and Welfare and the Veterans' Administration to exercise maximum efforts to develop jobs and job training opportunities for disabled and Vietnam-era veterans, and inform all such veterans about employment, job-training, on-the-job training and educational opportunities under this Act, under title 38, United States Code, and other provisions of law; and inform prime sponsors, Federal contractors and subcontractors, Federal agencies, educational institutions, labor unions, and employers of their statutory responsibilities toward such veterans, and provide them with technical assistance in meeting those responsibilities.

"PROGRAMS FOR THE HANDICAPPED

29 USC 876.

"SEC. 306. (a)(1) The Congress finds and declares that due to the rapid implementation of programs to assist handicapped individuals mandated under the Education for the Handicapped Act and section 504 of the Rehabilitation Act of 1973, there is a need for people to provide the special supportive services and removal of architectural barriers required by these Acts.

20 USC 1401 note.
29 USC 794.

"(2) The Congress further declares that the individuals to be served under this section represent a large percentage of the unemployed, and that these services will provide meaningful improvement of the lives of the handicapped individuals served.

Training or education.

"(b) The Secretary shall establish programs throughout the Nation which shall train personnel to work with and assist handicapped individuals. These programs may be in any areas of training or education which provide individuals with skills necessary to train or provide assistance to handicapped persons, including, but not limited to, interpreters for the deaf and aides in classrooms to assist in the education of the handicapped.

"(c) The Secretary shall take appropriate action to establish administrative procedures and machinery (including personnel having particular competence in this field) for the administration of programs authorized under this section.

"PARTNERSHIP PROGRAMS

29 USC 877.

"SEC. 307. (a) From funds available under this title the Secretary is authorized to promote the development of partnership arrangements between prime sponsors and employment security agencies. Such partnerships shall constitute a segment of an integrated and comprehensive intake, service and placement system and shall be designed to achieve an employability plan and comprehensive program of job preparation and job search assistance for all participants under this Act. Such partnerships may also include other related public and private nonprofit agencies and organizations, including community-based organizations.

"(b) Such partnerships may result in—

"(1) the creation of a joint-planning, administrative, and operational entity;

"(2) combining and colocation of staff; and

"(3) a joint data base and information system.

Reimbursement.

"(c) The Secretary is authorized to reimburse prime sponsors for costs associated with the implementation of a partnership and to provide incentives to ensure that employment security agencies may participate on an equitable basis.

"PROJECTS FOR MIDDLE-AGED AND OLDER WORKERS

Employment and training policies. 29 USC 878.

"SEC. 308. (a) The Secretary shall—

"(1) develop and establish employment and training policies and programs for middle-aged and older workers which will reflect appropriate consideration of these workers' importance in the labor force and lead to a more equitable share of employment and training resources for middle-aged and older workers;

"(2) develop and establish programs to facilitate the transition of workers over 55 years of age from one occupation to another within the labor force and to facilitate the transition of such workers from non-participation to participation in the labor force including work experience, vocational education, public service employment, on-the-job training, occupational upgrading, and job search and placement, and technical assistance to employers for establishing flexi-time, job sharing, and other innovative arrangements suited to the needs of older workers;

Research.

"(3) conduct research on the relationships between age and employment and insure that the findings of such research are widely disseminated in order to assist employers in both the public and private sectors better understand and utilize the capabilities of middle-aged and older workers; and

"(4) develop and establish programs to develop methods designed to assure increased labor force participation by older workers who are able and willing to work but who have been unable to secure employment or who have been discouraged from seeking employment.

"(b) In carrying out the provisions of subsection (a) the Secretary shall provide for appropriate arrangements to be made with prime sponsors, members of the business community (including small business), labor organizations, local educational agencies, and community-based organizations as defined in section 3. Such arrangements may include, but need not be limited to— *Ante*, p. 1912.

"(1) an analysis of the local labor force on the basis of such factors as age, educational background, income, race, and sex, focusing particularly on comparative rates of labor force participation and of unemployment and underemployment among the various demographic groups studied;

"(2) an assessment of each participant's skills and work experience for purposes of formulating realistic second career objectives, including formal vocational testing instruments supplemented by such functional assessment methods and techniques to detect those skills and abilities of a participant as may be related to desired second career and occupational upgrading objectives;

"(3) second career and occupational upgrading counseling by individuals knowledgeable about the employment and training needs of middle-aged and older workers; Counseling.

"(4) the establishment of second career objectives which will— Second career objectives.

"(A) provide reasonable assurances to the participant that public and private sector demand exists for the skills developed in the second careers program; and

"(B) enable the participant to compete successfully in the job market; and

"(5) establishment of formal second careers training agreements, between participants and program sponsors, which—

"(A) set forth the career objectives of the participants and the steps required of each participant and prime sponsor to achieve these objectives;

"(B) will remain in force until its terms are fulfilled, or renegotiated or terminated according to such procedures as shall be prescribed by the Secretary; and

"(C) may be renegotiated or terminated, at any time, by the participant, or by the program sponsor for good cause.

"(c) The Secretary is hereby authorized to pay program sponsors reasonable training costs to participants in second careers programs to the extent necessary to achieve the objectives of such programs in accordance with regulations prescribed by the Secretary, but in no case shall such payment exceed the permissible maximum under section 122(i)(1). Such costs may include reasonable tuition for participants engaged in technical or other institutional training and payments to program sponsors providing on-the-job training, provided that such payments are based on the actual number of hours of such training given to the second careers program participant. The Secretary is authorized to pay for equipment, materials, and such other costs necessary for a participant to achieve the objectives of his second careers program. Payment, regulations. *Ante*, p. 1938.

"(d) Programs assisted under this section may provide for participation in employment and training programs on a part-time or flexible-time basis. Part- or flexible-time programs.

Eligibility.

"(e) Participants in programs authorized under this section shall be individuals over the age of 55 who are unemployed, underemployed, or economically disadvantaged, who have a family income (exclusive of any income received under a Federal or State welfare or unemployment program) which is not in excess of 125 percent of the poverty level established by the Director of the Office of Management and Budget.

Allocation of funds.

"(f) For the purposes of carrying out this section, the Secretary shall reserve from funds available for this title not more than 5 percent of the amount available for this title.

"(g) No provision of this section shall be construed as intending any diminution of the employment and training opportunities available to workers over 55 years of age under titles II, VI, and VII of this Act.

Ante, p. 1950; *Post*, pp. 2005, 2010.

"PART B—RESEARCH, TRAINING, AND EVALUATION

"RESEARCH

29 USC 879.

"SEC. 311. (a) To assist the Nation in expanding work opportunities and assuring access to those opportunities for all who desire it, the Secretary shall establish a comprehensive program of employment and training research utilizing the methods, techniques, and knowledge of the behavioral and social sciences and such other methods, techniques, and knowledge as will aid in the solution of the Nation's employment and training problems. The programs required by this section may include, but need not be limited to, studies, the findings of which may contribute to the formulation of employment and training policy; development or improvement of employment and training programs; increased knowledge about labor market processes, including programs designed to eliminate artificial barriers to employment; reduction of unemployment and its relationships to price stability; promotion of more effective worker development, training, and utilization; improved national, regional and local means of measuring future labor demand and supply; enhancement of job opportunities; skill training to qualify employees for positions of greater skill, responsibility, and remuneration; meeting of worker shortages; easing of the transition from school to work, from income transfer payment dependency to employment, from one job to another, and from work to retirement; testing the usefulness of sheltered employment for the difficult to employ; opportunities and services for older persons who desire to enter or reenter the labor force; and for improvement of opportunities for employment and advancement through the reduction of discrimination and disadvantage arising from poverty, ignorance, or prejudice.

Grants or contracts.

"(b) The Secretary shall establish a program of experimental, developmental, demonstration, and pilot projects, through grants to or contracts with public agencies or private organizations, for the purpose of improving techniques and demonstrating the effectiveness of specialized methods in meeting employment and training problems. Nothing in this subsection shall authorize the Secretary to carry out employment programs experimenting with subsidized wages in the private sector or wages less than wages established by the Fair Labor Standards Act of 1938 for employment subject to that Act. In carrying out this subsection, the Secretary shall consult with such other agencies as may be appropriate. Where programs under this section require institutional training, appropriate arrangements for such

Consultation.
29 USC 201.

Agreement with Secretary of HEW.

training shall be agreed to by the Secretary and the Secretary of Health, Education, and Welfare.

"(c) The Secretary is authorized to conduct supportive employment and training projects of an experimental and demonstration nature as part of, or coordinated with, experimental or demonstration programs of a similar nature that the Secretary has been conducting for unemployed persons with serious problems in the labor market, such as juvenile delinquents, mentally and emotionally handicapped individuals, alcoholics, ex-addicts, ex-offenders, and recipients of aid to families with dependent children, to enable them, through temporary, highly structured and supervised work experience, to make the transition to employment or self-employment. Such programs shall provide for skill training as required to effect such transition.

"(d) The Secretary is authorized to undertake research programs to (1) investigate the applicability of job-sharing, work-sharing and other flexible work hours arrangements in various settings, and of the incentives and technical assistance required by employers to implement such alternative working arrangements; and (2) investigate the extent to which job and wage classification systems undervalue certain skills and responsibilities on the basis of the sex of persons who usually hold the positions.

"(e) The Secretary is authorized to conduct a variety of demonstration and experimental projects to test the best methods of assisting persons, who might otherwise rely on public assistance or other income assistance, to find nonfederally assisted employment in the private and public sectors, and to provide federally assisted work and training opportunities for any such persons who are unable to find nonfederally assisted work or training opportunities. Such demonstration and experimental projects and programs are to be conducted, to the extent practicable, in rural and urban areas, in sparsely and densely populated areas, and in areas with inadequate means of transportation.

"(f) The Secretary is authorized to conduct demonstration programs and projects, which provide expanded guidance and counseling services to participants under this Act through community vocational resource centers established in economically distressed communities or areas pursuant to section 134(a)(7) of the Vocational Education Act of 1963. Such programs shall provide State boards of vocational education, which establish such community vocational resource centers, with funding for up to 50 per centum of the cost of such projects. The Secretary may make such funds available to a State board of vocational education when such board reaches agreement with the prime sponsor to assist out-of-school individuals in reentering school at the secondary or postsecondary level, to take advantage of vocational skill training opportunities including cooperative education and work-study programs, and to be offered referral to other training programs, apprenticeship programs, and on-the-job training for which academic credit may be available. Projects shall include provisions for outreach to inform the economically disadvantaged of the assistance available through the community resource centers and to provide assurances that programs will be coordinated with other guidance and counseling activities of the prime sponsor, including activities under section 445(c), other in-school guidance and counseling programs in the area, State employment service offices, and the activities of the private industry councils established pursuant to title VII of this Act.

20 USC 1284.
Funding.

Post, p. 1992.

Post, p. 2010.

"(g) The Secretary shall conduct educational and assistance programs designed to eliminate artificial barriers to employment based upon race, sex, national origin, age, records of arrest or conviction, handicaps, marital status, or other criteria. To support such programs, information shall be developed identifying all such artificial barriers, the numbers of persons affected, the manner in which such barriers operate and how such barriers can best be eliminated. In complying with the requirements of this subsection, the Secretary shall consult with the Department of Health, Education, and Welfare, the United States Civil Rights Commission, and the Equal Employment Opportunity Commission.

Consultation.

"LABOR MARKET INFORMATION AND JOB BANK PROGRAM

29 USC 880.

"SEC. 312. (a) The Secretary shall develop a comprehensive system of labor market information on a national, State, local, or other appropriate basis, which shall be made publicly available in a timely fashion.

"(b) In addition to the monthly national unemployment statistics, the Secretary shall develop reliable methods, including the use of selected sample surveys, to produce more statistically accurate data on unemployment by State and local areas, and shall investigate alternative methods to produce more accurate data on underemployment and labor demand by State and local areas.

"(c) The Secretary shall develop data for an annual statistical measure of labor market related economic hardship in the Nation. Among the factors to be considered in developing such a measure are unemployment, labor force participation, involuntary part-time employment, and full-time employment at wages less than the poverty level.

Household budget data.

"(d) The Secretary shall develop methods to establish and maintain more comprehensive household budget data at different levels of living, including a level of adequacy, to reflect the differences of household living costs in regions and localities, both urban and rural.

Funding.
Notification of congressional committees.

"(e) The Secretary shall set aside, out of sums available to the Department for any fiscal year including sums available for this title, an amount which the Secretary determines is necessary and appropriate to carry out the provisions of this section, and shall, no later than sixty days after such sums are appropriated and made available, notify the appropriate committees of the Congress of the amount so set aside and the basis for the determination of need and appropriateness.

Veterans employment.

"(f) The Secretary shall establish and carry out a nationwide computerized job bank and matching program (including the listing of all suitable employment openings with local offices of the State employment service agencies by Federal contractors and subcontractors and providing for the affirmative action as required by section 2012(a) of title 38, United States Code) on a regional, State, and local basis, using electronic data processing and telecommunications systems to the maximum extent possible for the purpose of identifying sources of available persons and job vacancies, providing an expeditious means of matching the qualifications of unemployed, underemployed, and economically disadvantaged persons with employer requirements and job opportunities, and referring and placing such persons in jobs.

"EVALUATION

"SEC. 313. (a) The Secretary shall provide for the continuing evaluation of all programs, activities, and research and demonstration projects conducted pursuant to this Act, including their cost-effectiveness in achieving the purposes of this Act, their impact on communities and participants, their implication for related programs, the extent to which they meet the needs of persons by age, sex, race, and national origin, and the adequacy of the mechanism for the delivery of services. In conducting evaluations the Secretary shall compare the effectiveness of programs conducted by prime sponsors of the same class and of different classes, and shall compare the effectiveness of programs conducted by prime sponsors with similar programs carried out by the Secretary under the Act. The Secretary shall also arrange for obtaining the opinions of participants about the strengths and weaknesses of the programs. 29 USC 881.

"(b) The Secretary shall evaluate the effectiveness of programs authorized under this Act and part C of title IV of the Social Security Act with respect to the statutory goals and objectives, including increases in employment and earnings for participants, duration in training and employment situations, information on the post-enrollment labor market experience of program participants for at least a year following their termination from such programs, and comparable information on other employees or trainees of participating employers. 42 USC 630.

"(c) In order to reduce the paperwork burden and costs on prime sponsors, project applicants and program agents, in carrying out evaluations of the cost-effectiveness of identical or similar programs of prime sponsors, the impact of such programs on communities and agents, the implication for related programs, and the adequacy of the mechanism for the delivery of services, the Secretary shall to the maximum extent possible, consistent with the purposes of this Act, use statistical sampling techniques.

"(d) The Secretary shall prepare and submit to the Congress an annual evaluation plan, setting forth major themes for the areas of research, statistics, evaluation, experimentation, and demonstrations to be undertaken in the succeeding fiscal year, the program purposes and policy alternatives to which each such area is related and the current and proposed funding and staffing levels. The Secretary shall specify in the portions of the plan relating to experimentation and demonstrations the intended outcome of proposed major innovations and the amount of time required to test the innovations or to achieve adoption of the demonstration. The information required by this subsection may be included in the annual report of the Secretary under section 127(a). Evaluation plan, submittal to Congress.

"(e) The Secretary shall prepare and submit to the Congress an annual evaluation report for employment and training programs. Such report may be included in the annual report of the Secretary under section 127(a). The Secretary shall include in such report— *Ante*, p. 1945. Evaluation report, submittal to Congress.

"(1) a summary of the achievements, failures, and problems of the various programs authorized in this Act in meeting the objective of this Act;

"(2) a summary of major findings from research, evaluation, and experiments conducted in the previous fiscal year;

"(3) recommendations for program modifications based upon analysis of such findings; and

"(4) such other recommendations for legislative or administrative action as the Secretary deems appropriate.

"(f) The Secretary shall develop an ongoing program to notify prime sponsors of experiments and demonstrations to be conducted in their States and shall disseminate to prime sponsors and Governors the results of all research, demonstrations, evaluations, and experiments of employment and training programs.

"(g)(1) The Secretary shall—

"(A) develop standard definitions of 'enrollments', 'completions', 'job placements', and 'training-related job placements' for classroom and on-the-job training programs funded under this Act;

"(B) establish procedures for the uniform reporting by prime sponsors of information on enrollments, completions, job placements, and training related placements by detailed occupational or training code for classroom and on-the-job training programs funded under this Act; and

Report to Congress.

"(C) make a report to the Congress not later than March 1, 1980, and annually thereafter, containing a summary of the information described in subparagraph (B) together with such analysis and recommendations as the Secretary deems advisable.

"(2) The information required by paragraph (1)(C) may be included in the annual report of the Secretary under section 127(a).

Ante, p. 1945.

"Detailed occupational or training code."

"(3) For the purposes of this subsection, the term 'detailed occupational or training code' shall mean any occupational or training code equivalent in detail to the Standard Occupational Classification at the four-digit level.

"TRAINING AND TECHNICAL ASSISTANCE

Grants or contracts, consultation. 29 USC 882.

"SEC. 314. The Secretary, in consultation with the Secretary of Health, Education, and Welfare, or other appropriate officials, shall provide directly or through grants, contracts, or other arrangements, appropriate preservice and inservice training for specialized, supportive, supervisory, or other personnel, and appropriate technical assistance with respect to programs under this Act.

"NATIONAL OCCUPATIONAL INFORMATION COORDINATING COMMITTEE

Youth. 29 USC 883.

"SEC. 315. (a) The National Occupational Information Coordinating Committee, in carrying out its responsibilities under this section, shall give special attention to the labor market information needs of youth, including activities such as, but not limited to—

"(1) assisting and encouraging local areas to adopt methods of translating national aggregate occupational outlook data into local terms;

"(2) providing technical assistance for programs of computer on-line terminals and other facilities to utilize and implement occupational and career outlook information and projections supplied by State employment service agencies and to improve the match of youth career desires with available and anticipated labor demand;

"(3) assisting and encouraging the development of State occupational information systems, accessible to local schools, including pilot programs in the use of computers to facilitate such access; and

"(4) in cooperation with State and local correctional agencies, encouraging programs of counseling and employment services for youth in correctional institutions.

"(5) in cooperation with State and local educational agencies, and other appropriate persons and organizations, encouraging programs to make available employment and career counseling to postsecondary youths; and

"(6) providing technical assistance for programs designed to encourage public and private employers to list all available job opportunities for youths with the appropriate eligible applicant conducting occupational information and career counseling programs, local public employment services offices and to encourage cooperation and contact among such eligible applicants, employers, and offices.

"(b) All funds available to the National Occupational Information Coordinating Committee under this Act, under section 161 of the Vocational Education Act of 1963 and under section 12 of the Career Education Act may be used by the Committee to carry out any of its functions and responsibilities authorized by law.

Allocation of funds.
20 USC 1341.
20 USC 2611.

"EVALUATIONS AND INCENTIVE GRANTS

"SEC. 316. (a) Any prime sponsor may volunteer for an evaluation of its title II programs by the Department of Labor. Such evaluation may include monitoring of the rate of placement of title II enrollees after leaving the title II program, the salaries paid to such enrollees, the length of time that they remain in the job, and whatever other information that the Secretary determines, by regulation, is important in evaluating the performance of the prime sponsors. For purposes of making this evaluation, the performance of the prime sponsor shall be assessed by comparing enrollees to a comparable group of nonenrollees within the prime sponsor's area.

Regulation.
29 USC 884.
Ante, p. 1950.

"(b) The Secretary shall make awards from the funds appropriated under this title to those prime sponsors which have performed well in their title II functions. The Secretary shall make awards according to a unit measurement; each such unit may consist of some degree of improvement among title II enrollees in job placement, salary, longevity, and whatever other factors the Secretary determines, by regulation, are important (each factor shall be weighed by the Secretary in a manner which best effectuates the purposes of this Act), over performance on each of the criteria set forth in this section by a comparable group of nonen ollees in the prime sponsor's area.

Regulation.

"VOUCHER DEMONSTRATION PROJECTS

"SEC. 317. (a) The Secretary shall establish a special voucher project to demonstrate the efficacy of providing vouchers to economically disadvantaged persons who are unemployed or underemployed. Such vouchers shall entitle private employers who provide employment with or without training to such individuals to payment in amounts equal to the value of the voucher pursuant to regulations of the Secretary.

Regulations.
29 USC 885.

"(b) In establishing regulations under this section, the Secretary shall establish criteria, eligibility of participants and portability of vouchers between qualifying employers, the value of vouchers, the guarantees against displacement of eligible workers, and such other factors as the Secretary deems appropriate.

"(c) Not later than March 1, 1981, the Secretary shall prepare and submit to the Congress a report evaluating the effectiveness of the demonstration projects conducted pursuant to this section, together with such recommendations, including recommendations for legisla-

Report to Congress.

tion, as the Secretary deems appropriate. The information required by this subsection may be included in the appropriate annual report of the Secretary under section 127(a).

Ante, p. 1945.

"EMPLOYMENT AND TRAINING ACTIVITIES TO STIMULATE LOCAL PRIVATE ECONOMIC DEVELOPMENT

Experimental program.
29 USC 886.

"SEC. 318. (a) The Secretary is authorized to carry out a special experimental program to link the employment and training activities of prime sponsors to a workable strategy for stimulating local private economic development and replacement of declining industries. Any determination concerning the nature of skills to be provided in training and retraining programs shall be made after consultation with agencies charged with fostering the growth or introduction of industries in a given labor market. This experiment may include use of vouchers as authorized in section 317.

"(b) The Secretary shall take whatever action is necessary to assure that any experimental program conducted under this section is coordinated with Federal, State, regional, and local agencies responsible for administering and receiving funds from the Economic Development Administration pursuant to sections 201 and 202 of the Public Works and Economic Development Act of 1965 and from the Small Business Investment Act of 1958. Activities under any such program shall be consistent with the overall economic development plan for the area required by section 202(b)(10) of the Public Works and Economic Development Act of 1965.

42 USC 3141, 3142.
15 USC 661 note.

"TITLE IV—YOUTH PROGRAMS

"STATEMENT OF PURPOSE

29 USC 891.

"SEC. 401. It is the purpose of this title to provide a broad range of coordinated employment and training programs for eligible youth in order to provide effectively for comprehensive employment and training services to improve their future employability and to explore and experiment with alternative methods for accomplishing such purposes.

"DEFINITIONS

29 USC 892.
Post, p. 2001.

"SEC. 402. (a) For purposes of parts B and C, the term 'eligible youth' means an economically disadvantaged youth who is (1) either unemployed, underemployed, or in school, and (2) either age 16 to 21 inclusive, or if authorized under regulations of the Secretary, age 14 to 15 inclusive. Nothing in this section shall be construed to prohibit the provision of day care for the children of eligible youths.

"(b) For the purposes of subpart 1 of part A, the term 'eligible youth' means a youth between the ages of 16 and 19 inclusive, the income of whose family is at or below the poverty level determined in accordance with criteria as established by the Director of the Office of Management and Budget.

"PART A—YOUTH EMPLOYMENT DEMONSTRATION PROGRAMS

"STATEMENT OF PURPOSE

29 USC 893.

"SEC. 411. It is the purpose of this part to establish a variety of employment, training, and demonstration programs to explore methods of dealing with the structural unemployment problems of the Nation's

youth. The basic purpose of the demonstration programs shall be to test the relative efficacy of different ways of dealing with these problems in different local contexts, but this basic purpose shall not preclude the funding of programs dealing with the immediate difficulties faced by youths who are in need of, and unable to find jobs. It is explicitly not the purpose of this part to provide make-work opportunities for unemployed youth; instead, it is the purpose to provide youth, and particularly economically disadvantaged youth, with opportunities to learn and earn that will lead to meaningful employment or self-employment opportunities after they have completed the program.

"Subpart 1—Youth Incentive Entitlement Pilot Projects

"ENTITLEMENT PILOT PROJECTS AUTHORIZED

Prime sponsors. 29 USC 894.

"SEC. 416. (a) The Secretary shall enter into arrangements with prime sponsors selected in accordance with the provisions of this subpart for the purpose of demonstrating the efficacy of guaranteeing otherwise unavailable part-time employment, or combination of part-time employment and training, for economically disadvantaged youth between the ages of 16 and 19, inclusive, during the school year who resume or maintain attendance in secondary school for the purpose of acquiring a high school diploma or in a program which leads to a certificate of high school equivalency and full-time employment or part-time employment and training during the summer months to each such youth.

"(b) Each prime sponsor who applies for and is selected by the Secretary to carry out a pilot project under this subpart shall guarantee the employment described in subsection (a) to each such unemployed youth described in subsection (a) who resides within the area or a designated part thereof served by the prime sponsor and who applies to that prime sponsor for employment. The Secretary shall provide to each prime sponsor, from funds appropriated for carrying out this subpart, in combination with any funds made available by such prime sponsor according to an agreement made pursuant to section 418(a)(4)(F), the amount to which that prime sponsor is entitled under subsection (c).

Funds received for youth employment.

"(c) Each prime sponsor shall be entitled to receive, for each youth who is provided employment by that prime sponsor, the costs associated with providing such employment. Such costs shall take into account funds made available by such prime sponsor under section 418(a)(4)(F).

"EMPLOYMENT GUARANTEES

29 USC 895.

"SEC. 417. Employment opportunities guaranteed under this subpart shall take the form of any one of the following or any combination thereof:

Part-time employment.

"(1) Part-time employment or training or combination thereof during the school year, not to exceed an average of 20 hours per week for each youth employed, and not to last less than 6 months nor more than 9, on projects operated by community-based organizations of demonstrated effectiveness which have a knowledge of the needs of disadvantaged youth; local educational agencies; institutions of higher education; nonprofit private organizations or institutions engaged in public service; nonprofit voluntary youth organizations; nonprofit private associations, such as labor

organizations, educational associations, business, cultural, or other private associations; units of general local government; or special purpose political subdivisions either having the power to levy taxes and spend funds or serving such special purpose in 2 or more units of general local government.

"(2) Part-time employment on an individual basis in any of the institutions and under the same conditions provided for in clause (1).

"(3) Part-time employment on either a project or individual basis in any of the institutions and under the same conditions as provided in clause (1) which includes as part of the employment on-the-job or apprenticeship training.

Full-time employment.

"(4) Full-time employment during the summer months, not to exceed 40 hours per week for each youth employed, and not to last less than 8 weeks in any of the institutions described in clause (1).

"SELECTING PRIME SPONSORS

29 USC 896.

"SEC. 418. (a) In selecting prime sponsors to operate youth incentive entitlement projects, the Secretary shall—

"(1) select prime sponsors from areas with differing socio-economic and regional circumstances such as differing unemployment rates, school dropout rates, urban and rural variations, size, and other such factors designed to test the efficacy of a youth job entitlement in a variety of differing locations and circumstances;

Ante, p. 1950.
Post, p. 2001.

"(2) take into consideration the extent to which the prime sponsors devote funds made available under title II and part C of this title for the purpose of carrying out a youth incentive entitlement project or for supportive services;

"(3) take into consideration the extent to which new and different classifications, occupations, or restructured jobs are created for youth;

"(4) select only prime sponsors which submit proposals which include—

"(A) a description of the procedure to be utilized by the prime sponsor to publicize, consider, approve, audit, and monitor youth incentive projects or jobs funded by the prime sponsor under this part, including copies of proposed application materials, as well as examples of audit and client characteristics reports;

"(B) a statement of the estimated number of economically disadvantaged youth to be served by the prime sponsor, and assurances that only such disadvantaged youth will be served;

"(C) assurances that the provisions of sections 442 and 443 are met relating to wage provisions and special conditions;

"(D) assurances that the prime sponsor has consulted with public and private nonprofit educational agencies including vocational and postsecondary education institutions and other agencies which offer high school equivalency programs; public employers, including law enforcement and judicial agencies; State and local public assistance agencies; labor organizations; voluntary youth groups; community-based organizations; organizations of demonstrated effectiveness

with a special knowledge of the needs of such disadvantaged youth; and with the private sector in the development of the plan, and assurances that arrangements are made with appropriate groups to assist the prime sponsor in carrying out the purposes of this subpart;

"(E) assurances that arrangements are made with the State employment security agencies to carry out the purposes of this subpart;

"(F) an agreement that funds available under title II for economically disadvantaged youth employment programs and funds available for the summer youth program under part C of this title for youth eligible under subsection (a) will be used in support of the project authorized under this subpart; *Ante*, p. 1950. *Post*, p. 2001.

"(G) assurances that the employment of eligible youth meets the requirements of eligible activities under section 419;

"(H) assurances that participating youth shall not be employed more than an average of 20 hours per week during the school year and not more than 40 hours per week during the summer;

"(I) assurances that a participating youth is not a relative of any person with responsibility for hiring a person to fill that job;

"(J) assurances that whenever employment involves additional on-the-job, institutional, or apprenticeship training provided by the employer, and if such training is not paid for in full or in part by the prime sponsor under any other program authorized under this Act, wages may be paid in accordance with the provisions of subsection (b) of section 14 of the Fair Labor Standards Act of 1938, and with the balance being applied to the cost of training; 29 USC 214.

"(K) assurances that arrangements have been made with the appropriate local education agency or with the institution offering a certified high school equivalency program that such youth is enrolled and meeting the minimum academic and attendance requirements of that school or education program and with employers that such youth meet the minimum work and attendance requirements of such employment and that any employment guarantee is conditioned on such enrollment;

"(L) assurances that special efforts will be made to recruit youth from families receiving public assistance, including parents of dependent children who meet the age requirement of this subpart; and

"(M) assurances that the prime sponsor will make available the data necessary for the Secretary to prepare the reports required by section 420.

"(b) In approving a prime sponsor to operate a youth incentive entitlement pilot project under this subpart the Secretary may also test the efficacy of any such project involving—

"(1) the use of a variety of subsidies to private for-profit employers, notwithstanding the provisions of sections 417 and 419(a), to encourage such employers to provide employment and training opportunities under this subpart, but no such subsidy shall exceed the net cost to the employer of the wages paid and training provided;

"(2) arrangements with unions to enable youth to enter into apprenticeship training as part of the employment provided under this subpart;

"(3) a variety of administrative mechanisms to facilitate the employment of youths under an entitlement arrangement;

"(4) the inclusion of economically disadvantaged youths between the ages of 19 and 25 who have not received their high school diploma;

"(5) the inclusion of occupational and career counseling, outreach, career, exploration, and on-the-job training and apprenticeship as part of the employment entitlement; and

"(6) the inclusion of youth under the jurisdiction of the juvenile or criminal justice system with the approval of the appropriate authorities.

"SPECIAL PROVISIONS

Employment and training.
29 USC 897.

"SEC. 419. (a) Employment and training under this subpart shall develop the participant's role as a meaningful member of the community, and may include employment and training in such fields as environmental quality, health care, education, self-employment, social services, public safety, crime prevention and control, transportation, recreation, neighborhood improvement, rural development, conservation, beautification, and community improvement projects.

"(b) No funds for employment under this subpart shall be used to provide public services through a nonprofit organization, association, or institution, or a nonprofit private institution of higher education or any other applicant, which were previously provided by a political subdivision or local educational agency in the area served by the project of where the employment and training takes place, and no funds will be used under this subpart to provide such services through such an organization or institution which are customarily provided only by a political subdivision or local educational agency in the area served by such project or where the employment and training takes place.

"REPORTS

Report to Congress.
29 USC 898.

"SEC. 420. The Secretary shall report to the Congress not later than March 15, 1979, on his interim findings on the efficacy of a youth incentive entitlement. The Secretary shall submit another report not later than December 31, 1979, concerning the youth incentive entitlement projects authorized under this subpart. Included in such reports shall be findings with respect to—

"(1) the number of youths enrolled at the time of the report;

"(2) the cost of providing employment opportunities to such youths;

"(3) the degree to which such employment opportunities have caused out-of-school youths to return to school or others to remain in school;

"(4) the number of youths provided employment in relation to the total which might have been eligible;

"(5) the kinds of jobs provided such youths and a description of the employers—public and private—providing such employment;

"(6) the degree to which on-the-job or apprenticeship training has been offered as part of the employment;

"(7) the estimated cost of such a program if it were to be extended to all areas;

"(8) the effect such employment opportunities have had on reducing youth unemployment in the areas of the prime sponsors operating a project; and

"(9) the impact of job opportunities provided under the project on other job opportunities for youths in the area.

"Subpart 2—Youth Community Conservation and Improvement Projects

"STATEMENT OF PURPOSE

"SEC. 421. It is the purpose of this subpart to establish a program of community conservation and improvement projects to provide employment, work experience, skill training, and opportunities for community service to eligible youths, for a period not to exceed 12 months, supplementary to but not replacing opportunities available under title II. 29 USC 899.

"DEFINITIONS

"SEC. 422. As used in this subpart, the term— 29 USC 900.

"(1) 'eligible applicant' means any prime sponsor qualified under section 101 of this Act, sponsors of Native American programs qualified under section 302(c)(1) of this Act, and sponsors of migrant and seasonal farmworkers programs qualified under section 303 of this Act; *Ante*, p. 1962. *Ante*, p. 1964.

"(2) 'project applicant' shall have the same meaning as in section 3(20) of this Act; *Ante*, p. 1912.

"(3) 'eligible youths' means individuals who are unemployed and, at the time of entering employment under this subpart, are ages sixteen to nineteen, inclusive; and

"(4) 'community improvement projects' means projects providing work which would not otherwise be carried out, including, but not limited to, the rehabilitation or improvement of public facilities; neighborhood improvements; weatherization and basic repairs to low-income housing; energy conservation including solar energy techniques, especially those utilizing materials, and supplies available without cost; removal of architectural barriers to access, by handicapped persons, to public facilities; and conservation, maintenance, or restoration of natural resources on publicly held lands other than Federal lands.

"ALLOCATION OF FUNDS

"SEC. 423. (a) Funds available to carry out this subpart for any fiscal year shall be allocated in such a manner that not less than 75 percent of such funds shall be allocated among the States on the basis of the relative number of unemployed persons within each State as compared to all States, except that not less than one-half of 1 percent of such funds shall be allocated for projects under this subpart within any one State and not less than one-half of 1 percent of such funds shall be allocated in the aggregate for projects in Guam, the Virgin Islands, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands. 29 USC 901.

"(b) Of the funds available for this subpart, 2 percent shall be available for projects for Native American eligible youths, and 2 percent shall be available for projects for eligible youths in migrant and seasonal farmworker families.

"(c) The remainder of the funds available for this subpart shall be allocated as the Secretary deems appropriate.

"COMMUNITY CONSERVATION AND IMPROVEMENT YOUTH EMPLOYMENT PROJECTS

29 USC 902.

"SEC. 424. The Secretary is authorized in accordance with the provisions of this subpart, to enter into agreements with eligible applicants to pay the costs of community conservation and improvement youth employment projects to be carried out by project applicants employing eligible youths and appropriate supervisory personnel.

"PROJECT APPLICATIONS

29 USC 903.

"SEC. 425. (a) Project applicants shall submit applications for funding of projects under this subpart to the appropriate eligible applicant.

Regulations.

"(b) In accordance with regulations prescribed by the Secretary, each project application shall—

"(1) provide a description of the work to be accomplished by the project, the jobs to be filled, and the approximate duration for which eligible youths would be assigned to such jobs;

"(2) describe the wages or salaries to be paid individuals employed in jobs assisted under this subpart;

"(3) set forth assurances that there will be an adequate number of supervisory personnel on the project and that the supervisory personnel are adequately trained in skills needed to carry out the project and can instruct participating eligible youths in skills needed to carry out the project;

"(4) set forth assurances that any income generated by the project will be applied toward the cost of the project;

"(5) set forth assurances for acquiring such space, supplies, materials, and equipment as necessary, including reasonable payment for the purchase or rental thereof;

"(6) set forth assurances that, to the maximum extent feasible, projects carried out under this subpart shall be labor intensive; and

"(7) set forth such other assurances, arrangements, and conditions as the Secretary deems appropriate to carry out the purposes of this subpart.

"PROPOSED AGREEMENTS

29 USC 904.

"SEC. 426. (a) (1) Each eligible applicant desiring funds under this subpart shall submit a proposed agreement to the Secretary, together with all project applications approved by the eligible applicant and all project applications approved by any program agent within the area served by the eligible applicant. With its transmittal of the proposed agreement, the eligible applicant shall provide descriptions of the project applications approved by the eligible applicant and by any program agent within the area served by the eligible applicant, accompanied by the recommendations of the eligible applicant concerning the relative priority attached to each project.

"(2) The functions of a program agent shall be as set forth in section 606(b)(2) of this Act.

Post, p. 2008.

"(b) The proposed agreement submitted by any eligible applicant shall—

"(1) describe the method of recruiting eligible youths, including a description of how such recruitment will be coordinated with plans under other provisions of this Act, including arrangements required by section 105, of this Act, and also including a

Ante, p. 1925.

description of arrangements with school systems, the public employment service (including school cooperative programs), the courts of jurisdiction for status and youthful offenders, and a description of arrangements with public assistance agencies on the employment of youth from families receiving public assistance, including parents of dependent children;

"(2) provide a description of job training and skill development opportunities that will be made available to participating eligible youths, as well as a description of plans to coordinate the training and work experience with school-related programs, including the awarding of academic credit; and

"(3) set forth such other assurances as the Secretary may require to carry out the purposes of this subpart.

"(c)(1) In order for a project application submitted by a project applicant to be submitted to the Secretary by any eligible applicant, copies of such application shall have been submitted at the time of such application to the prime sponsor's planning council established under section 109 (or an appropriate planning organization in the case of sponsors of Native American programs under section 302 of this Act or migrant and seasonal farmworker programs under section 303 of this Act) for the purpose of affording such council (and the youth council established under section 436) an opportunity to submit comments and recommendations with respect to that application to the eligible applicant. No member of any council (or organization) shall cast a vote on any matter in connection with a project in which that member, or any organization with which that member is associated, has a direct interest. *Ante*, p. 1930.

"(2) Consistent with procedures established by the eligible applicant in accordance with regulations which the Secretary shall prescribe, the eligible applicant shall not disapprove a project application submitted by a project applicant unless it has first considered any comments and recommendations made by the appropriate council (or organization) and unless it has provided such applicant and council (or organization) with a written statement of its reasons for such disapproval. Regulations.

"APPROVAL OF AGREEMENTS

"SEC. 427. (a) The Secretary may approve or deny on an individual basis any of the project applications submitted with any opposed agreement. 29 USC 905.

"(b) No funds shall be made available to any eligible applicant except pursuant to an agreement entered into between the Secretary and the eligible applicant which provides assurances satisfactory to the Secretary that—

"(1) the standards set forth in subpart 4 will be satisfied;

"(2) projects will be conducted in such manner as to permit eligible youths employed in the project who are in school to coordinate their jobs with classroom instruction and, to the extent feasible, to permit such eligible youths to receive credit from the appropriate educational agency, postsecondary institution, or particular school involved; and

"(3) meet such other assurances, arrangements, and conditions as the Secretary deems appropriate to carry out the purposes of this subpart.

"WORK LIMITATION

"SEC. 428. No eligible youth shall be employed for more than twelve months in work financed under this subpart, except as prescribed by the Secretary. 29 USC 906.

"Subpart 3—Youth Employment and Training Programs

"STATEMENT OF PURPOSE

29 USC 907.

"SEC. 431. It is the purpose of this subpart to establish programs designed to make a significant long-term impact on the structural unemployment problems of youth, supplementary to but not replacing programs and activities available under title II of this Act, to enhance the job prospects and career opportunities of young persons, including employment, community service opportunities, and such training and supportive services as are necessary to enable participants to secure suitable and appropriate unsubsidized employment in the public and private sectors of the economy. To the maximum extent feasible, training and employment opportunities afforded under this subpart shall be interrelated and mutually reinforcing so as to achieve the goal of enhancing the job prospects and career opportunities of youths served under this subpart.

Ante, p. 1950.

"PROGRAMS AUTHORIZED

Financial assistance.
29 USC 908.

"SEC. 432. (a) The Secretary is authorized to provide financial assistance to enable eligible applicants to provide employment opportunities and appropriate training and supportive services for eligible participants, including—

"(1) useful work experience opportunities in a wide range of community betterment activities such as rehabilitation of public properties, assistance in the weatherization of homes occupied by low-income families, demonstrations of energy-conserving measures, including solar energy techniques (especially those utilizing materials and supplies available without cost), park establishment and upgrading, neighborhood revitalization, conservation and improvements, removal of architectural barriers to access, by handicapped individuals, to public facilities, and related activities;

"(2) productive employment and work experience in fields such as education, health care, neighborhood transportation services, crime prevention and control, environmental quality control (including integrated pest management activities), preservation of historic sites, and maintenance of visitor facilities;

"(3) approprate training and services to support the purpose of this subpart, including—

"(A) outreach, assessment, and orientation;

"(B) counseling, including occupational information and career counseling;

"(C) activities promoting education to work transition;

"(D) development of information concerning the labor market, and provision of occupational, educational, and training information;

"(E) services to youth to help them obtain and retain employment;

"(F) literacy training and bilingual training;

"(G) attainment of certificates of high school equivalency;

"(H) job sampling, including vocational exploration in the public and private sector;

"(I) institutional and on-the-job training, including development of basic skills and job skills;

"(J) transportation assistance;

"(K) child care and other necessary supportive services;

"(L) job restructuring to make jobs more responsive to the objectives of this subpart, including assistance to employers in developing job ladders or new job opportunities for youths, in order to improve work relationships between employers and youths;

"(M) community-based central intake and information services for youth;

"(N) job development, direct placement, and placement assistance to secure unsubsidized employment opportunities for youth to the maximum extent feasible, and referral to employability development programs;

"(O) programs to overcome sex-stereotyping in job development and placement; and

"(P) programs and outreach mechanisms to increase the labor force participation rate among minorities and women.

Consultation.

"(b) In order to carry out this subpart, a Governor or a prime sponsor may enter into contracts with project applicants (as defined in section 3(20)) or employers organized for profit, but payments to such employers shall not exceed the amounts permitted under section 121(l), or may operate programs directly if, after consultation with community-based organizations and nonprofit groups, a Governor or prime sponsor determines that such direct operation will promote the purposes of this subpart.

Ante, p. 1912.

Ante, p. 1934.

"ALLOCATION OF FUNDS

29 USC 909.

"SEC. 433. (a) From the sums available for this subpart—

"(1) an amount equal to 75 percent of such funds shall be made available to prime sponsors for programs authorized under section 432;

"(2) an amount equal to 5 percent of the amount available for this part shall be made available to Governors for special statewide youth services under subsection (c);

"(3) an amount equal to not less than 2 percent of the amount available for this part shall be made available for employment and training programs for Native American eligible youths (deducting such amounts as are made available for such purposes under section 423(b));

"(4) an amount equal to not less than 2 percent of the amount available for this part shall be made available for employment and training programs for eligible youths in migrant and seasonal farmworker families (deducting such amounts as are made available for such purposes under section 423(b)); and

"(5) the remainder of the funds available for this subpart shall be available for the Secretary's discretionary projects authorized under section 438.

"(b)(1) Amounts available for each of the purposes set forth in paragraphs (1) and (2) of subsection (a) shall be allocated among the States in such a manner that—

"(A) 37.5 percent thereof shall be allocated in accordance with the relative number of unemployed persons within each State as compared to the total number of such unemployed persons in all States;

"(B) 37.5 percent thereof shall be allocated in accordance with the relative number of unemployed persons residing in areas of substantial unemployment (as defined in section 3(2)) within each State as compared to the total number of unemployed persons residing in all such areas in all States; and

Ante, p. 1912.

"(C) 25 percent thereof shall be allocated in accordance with the relative number of persons in families with an annual income below the low-income level (as defined in section 3(16)) within each State as compared to the total number of such persons in all States.

Ante, p. 1912.

"(2) In determining allocations under this subsection the Secretary shall use what the Secretary determines to be the best available data.

"(3) Amounts available to prime sponsors under paragraph (1) of subsection (a) shall, out of the total amounts allocated to each State under such paragraph, be allocated by the Secretary among prime sponsors within each State, in accordance with the factors set forth in paragraph (1) of this subsection.

"(c) The amount available to the Governor of each State under paragraph (2) of subsection (a) shall be used in accordance with a special statewide youth services plan, approved by the Secretary, for such purposes as—

"(1) providing financial assistance for employment and training opportunities for eligible youths who are under the supervision of the State;

"(2) providing labor market and occupational information to prime sponsors and local educational agencies, without reimbursement;

"(3) providing for the establishment of cooperative efforts between State and local institutions, including (A) occupational and career guidance and counseling and placement services for in-school and out-of-school youth; and (B) coordination of statewide activities carried out under the Career Education Incentive Act;

20 USC 2601 note.

"(4) providing for the establishment of cooperative efforts between State and local institutions, including occupational and career guidance and counseling and placement services for in-school and out-of-school youth;

"(5) providing financial assistance for expanded and experimental programs in apprenticeship trades, or development of new apprenticeship arrangements, in concert with appropriate businesses and labor unions or State apprenticeship councils; and

"(6) carrying out special model employment and training programs and related services between appropriate State agencies and prime sponsors in the State, or any combination of such prime sponsors, including subcontractors selected by prime sponsors, with particular emphasis on experimental job training within the private sector.

"(d)(1) Not less than 22 percent of the amount allocated to each prime sponsor under paragraph (1) of subsection (a) of this section shall be used for programs under this subsection.

"(2) The amount available to each prime sponsor under paragraph (1) shall be used for programs for in-school youth carried out pursuant to agreements between prime sponsors and local educational agencies. Each such agreement shall describe in detail the employment opportunities and appropriate training and supportive services which shall be provided to eligible participants who are enrolled or who agree to enroll in a full-time program leading to a secondary school diploma, a junior or community college degree, or a technical or trade school certificate of completion. Each such agreement shall contain provisions to assure that funds received pursuant to the agreement will not supplant State and local funds expended for the same purpose.

"(c) Programs receiving assistance under paragraph (1) of subsection (a) shall give special consideration in carrying out programs authorized under section 432, to community-based organizations (as defined in section 3(4)) which have demonstrated effectiveness in the delivery of employment and training services. *Ante*, p. 1912.

"ELIGIBLE APPLICANTS

"SEC. 434. Eligible applicants for purposes of this subpart, except section 438, are prime sponsors qualified under section 101, sponsors of Native American programs qualified under section 302(c)(1), and sponsors of migrant and seasonal farmworker programs qualified under section 303. 29 USC 910. *Ante*, p. 1917. *Ante*, p. 1962. *Ante*, p. 1964.

"ELIGIBLE PARTICIPANTS

"SEC. 435. Eligible participants for programs authorized under this subpart shall be persons who— Regulations. 29 USC 911.

"(1)(A) are unemployed or are underemployed or are in school and are ages 16 to 21, inclusive; or (B) if authorized under such regulations as the Secretary may prescribe, are in school and are ages 14 to 15, inclusive; and

"(2) are not members of households which have current gross family income, adjusted to an annualized basis (exclusive of unemployment compensation and all Federal, State, and local income-tested or needs-tested public payments) at a rate exceeding 85 percent of the lower living standard income level, except that, pursuant to regulations which the Secretary shall prescribe, persons who do not meet the requirements of this subparagraph but who are otherwise eligible under this subpart may participate in appropriate activities of the type authorized under section 432(a).

Notwithstanding the provisions of subsection (a), 10 percent of the funds available for this subpart may be used for programs which include youths of all economic backgrounds to test the desirability of including youths of all economic backgrounds.

"CONDITIONS FOR RECEIPT OF FINANCIAL ASSISTANCE

"SEC. 436. (a) The Secretary shall not provide financial assistance to an eligible applicant for programs authorized under section 432 unless such eligible applicant provides assurances that the standards set forth in subpart 4 will be met and unless such eligible applicant submits an application in such detail as the Secretary may prescribe. Each such application shall— 29 USC 912.

"(1) describe the programs, projects, or activities to be carried out with such assistance, together with a description of the relationship and coordination of services provided to eligible participants under this subpart for similar services offered by local educational agencies, postsecondary institutions, the public employment service, the courts of jurisdiction for status and youthful offenders, other youth programs, community-based organizations, businesses and labor organizations consistent with the requirements of sections 121 and 203, and assurances that, to the maximum extent feasible, use will be made of any services that are available without reimbursement by the State employment service that will contribute to the achievement of the purposes of this subpart; *Ante*, pp. 1934, 1953.

"(2) include assurances that the application will be coordinated to the maximum extent feasible, with the plans submitted under title II, but services to youth under that title shall not be reduced because of the availability of financial assistance under this subpart;

Ante, p. 1950.

"(3) provide assurances, satisfactory to the Secretary, that in the implementation of programs under this subpart, there will be coordination, to the extent appropriate, with local educational agencies, postsecondary institutions, community-based organizations, public assistance agencies, businesses, labor organizations, job training programs, other youth programs, the apprenticeship system, the courts of jurisdiction for status and youthful offenders programs, and (with respect to the referral of prospective youth participants to the program) the public employment service system;

"(4) provide assurances that in the implementation of programs under this subpart, there will be coordination, to the extent feasible, with activities conducted under the Career Education Incentive Act;

20 USC 2601 note.

"(5) provide assurance satisfactory to the Secretary that allowances will be paid in accordance with the provisions of section 124 and such regulations as the Secretary may prescribe for this subpart;

Ante, p. 1943.

"(6) provide assurances that the application will be reviewed by the appropriate prime sponsor planning council in accordance with the provisions of section 109;

Ante, p. 1930.

"(7) provide assurances that a youth council will be established under the planning council of such eligible applicant (established under section 109) in accordance with subsection (b) of this section;

"(8) provide assurances satisfactory to the Secretary that effective means will be provided through which youths participating in the projects, programs, and activities may acquire appropriate job skills and be given necessary basic education and training and that suitable arrangements will be established to document the competencies, including skills, education, and training, derived by each participant from programs established under this subpart;

"(9) provide assurances that the eligible applicant will take appropriate steps to develop new job classifications, new occupations, and restructured jobs;

"(10) provide that the funds available under section 433(d) shall be used for programs authorized under section 432 for in-school youth who are eligible participants through arrangements to be carried out by a local educational agency or agencies or postsecondary educational institution or institutions; and

"(11) provide such other information and assurance as the Secretary may deem appropriate to carry out the purposes of this subpart.

Youth council, recommendations.

"(b) Each youth council established by an eligible applicant shall be responsible for making recommendations to the planning council established under section 109 with respect to planning and review of activities conducted under this subpart and subpart 2. Each such youth council's membership shall include representation from the local educational agency, local vocational education advisory council, postsecondary educational institutions, business, unions, the public employment service, local government and nongovernment agencies and

organizations which are involved in meeting the special needs of youths, the community served by such applicant, the prime sponsor, and youths themselves.

Agreement between prime sponsor and local educational agency.

"(c) No program of work experience for in-school youth supported under this subpart shall be entered into unless an agreement has been made between the prime sponsor and a local educational agency or agencies, after review by the youth council established under subsection (b). Each such agreement shall—

"(1) set forth assurances that participating youths will be provided meaningful work experience, which will improve their ability to make career decisions and which will provide them with basic work skills needed for regular employment or self-employment not subsidized under this in-school program;

"(2) be administered, under agreements with the prime sponsor, by a local educational agency or agencies or a postsecondary educational institution or institutions within the area served by the prime sponsor, and set forth assurances that such contracts have been reviewed by the youth council established under subsection (b);

"(3) set forth assurances that job information, counseling, guidance, and placement services will be made available to participating youths and that funds provided under this program will be available to, and utilized by, the local educational agency or agencies to the extent necessary to pay the cost of school-based counselors to carry out the provisions of this in-school program;

"(4) set forth assurances that jobs provided under this program will be certified by the participating educational agency or institution as relevant to the educational and career goals of the participating youths;

"(5) set forth assurances that the eligible applicant will advise participating youths of the availability of other employment and training resources provided under this Act, and other resources available in the local community to assist such youths in obtaining employment or self-employment;

"(6) set forth assurances that youth participants will be chosen from among youths who are eligible participants who need work to remain in school, and shall be selected by the appropriate educational agency or institution, based on the certification for each participating youth by the school-based guidance counselor that the work experience provided is an appropriate component of the overall educational program of each youth.

"REVIEW OF PLANS BY SECRETARY

"SEC. 437. The provisions of sections 102, 104, and 107 shall apply to all programs and activities authorized under section 432.

29 USC 913.
Ante, pp. 1918, 1922, 1929.

"SECRETARY'S DISCRETIONARY PROJECTS

"SEC. 438. (a)(1) The Secretary of Labor is authorized, either directly or by way of contract or other arrangement, with prime sponsors, public agencies, and private organizations to carry out innovative and experimental programs to test new approaches for dealing with the unemployment problems of youth and to enable eligible participants to prepare for, enhance their prospects for, or secure employment in occupations through which they may reasonably be expected to advance to productive working lives. Such programs shall include,

29 USC 914.

where appropriate, cooperative arrangements with educational agencies to provide special programs and services for eligible participants enrolled in secondary schools, postsecondary educational institutions, and technical and trade schools, including job experience, counseling and guidance prior to the completion of secondary or postsecondary education and making available occupational, educational, and training information through statewide career information systems.

Consultation.

"(2) In carrying out or supporting such programs, the Secretary shall consult, as appropriate, with the Secretary of Commerce, the Secretary of Health, Education, and Welfare, the Secretary of Housing and Urban Development, the Secretary of Agriculture, the Director of the ACTION Agency, and the Director of the Community Services Administration.

Transfer of funds.

"(3) Funds available under this section may be transferred to other Federal departments and agencies to carry out functions delegated to them pursuant to agreements with the Secretary.

"(b) The Secretary and prime sponsors, as the case may be, shall give special consideration in carrying out innovative and experimental programs assisted under this section to community-based organizations (as defined in section 3(4)) which have demonstrated effectiveness in the delivery of employment and training services.

Ante, p. 1912.

"YOUTH EMPLOYMENT INCENTIVE AND SOCIAL BONUS PROGRAM

29 USC 915.

"SEC. 439. (a) From funds available under section 438 the Secretary, through the use of prime sponsors where feasible, shall carry out in not more than 10 areas of high youth unemployment a youth employment incentive and social bonus demonstration program in order to test the efficacy of providing incentives for private industry to establish additional employment opportunities for youth without significant previous employment experience.

"(b)(1) The Secretary shall provide a social bonus of not more than $2,500 per year, in such amount and in such manner as the Secretary shall prescribe, to each employer who, pursuant to an agreement under this section, has employed 5 eligible youths for at least 35 hours per week for a period of not less than one year. The Secretary may allow for payment after 9 months in exceptional circumstances.

"(2) A youth is eligible if such youth is economically disadvantaged, unemployed, and has no significant previous employment, as determined by the Secretary. No youth may participate in this program for more than 18 months.

"(3) An employer may receive a social bonus for each such youth employed if—

"(A) the employer has at least 5 eligible youths in the program; and

"(B) the employer offers each youth in the program appropriate training, supportive services, and counseling.

If such training includes on-the-job training, the social bonus shall be in addition to any moneys received under the on-the-job training agreement.

"(c) In the selection of employers to carry out projects under this section, the Secretary shall give priority to urban poverty areas in which the State or local government provides for special tax treatment for any employer which locates or expands within the urban poverty area, and to any employer establishing a new facility in an urban poverty area.

"(d) No payment for a social bonus may be made under this section unless— Requirements.

"(1) youth employed under this program are paid no less than the higher of the prevailing rate of pay for the occupation and job classification of individuals employed by the same employer, or the minimum wage under section 6(a)(1) of the Fair Labor Standards Act of 1938 or the applicable State or local minimum wage; and 29 USC 206.

"(2)(A) the conditions of this Act are followed including sections 121(g)(1)(B) (relating to maintenance of effort), 121(f)(1) (relating to meaningful training and employment), and 123(a) (relating to jobs in low wage industries); and *Ante*, p. 1934. *Ante*, p. 1941.

"(B) the employment will not result in the filling of a job opening created by the action of the employer in laying off or terminating the employment of any regular employee in anticipation of filling the vacancy so created by hiring a youth employee in order to receive such social bonus.

"(e) An employer who receives a social bonus under this section may not receive, apply for, or accept any financial advantage from the Federal Government for such employment other than as specified in this Act. Financial help, prohibition.

"(f)(1) The Secretary, in consultation with the Secretary of the Treasury and other appropriate Federal officials, shall assure that activities carried out under this section are coordinated with any appropriate other activities under which employers are provided incentives or credits by the Federal Government for the employment of comparably unemployed individuals. Consultation with Secretary of the Treasury.

"(2) Not later than 36 months after the date of enactment of this section the Secretary, in consultation with the Secretary of the Treasury and other appropriate Federal officials shall submit to the appropriate committees of the Congress a report on the results of activities carried out under this section in comparison to the results of such other activities. Report to Congress.

"Subpart 4—General Provisions

"DISTRIBUTION OF FUNDS

"SEC. 441. Of the sums available for carrying out the provisions of this part— 29 USC 916.

"(1) 15 percent shall be available for subpart 1;

"(2) 15 percent shall be available for subpart 2; and

"(3) 70 percent shall be available for subpart 3.

"WAGE PROVISIONS

"SEC. 442. Rates of pay under this part shall be no less than the higher of— 29 USC 917.

"(1) the minimum wage under section 6(a)(1) of the Fair Labor Standards Act of 1938, but in the case of an individual who is 14 or 15 years old, the wage provided in accordance with the provisions of subsection (b) of section 14 of the Fair Labor Standards Act of 1938; 29 USC 214.

"(2) the State or local minimum wage for the most nearly comparable employment, but in the case of an individual who is 14 or 15 years old the wage provided in accordance with the applicable provisions of the applicable State or local minimum wage law; or

"(3) the prevailing rates of pay, if any, for occupations and job classifications of individuals employed by the same employer, except that—

Agreement with employer and labor organization.

"(A) whenever the prime sponsor has entered into an agreement with the employer and the labor organization representing employees engaged in similar work in the same area to pay less than the rates provided in this paragraph, youths may be paid the rates specified in such agreement;

Job reclassification.

"(B) whenever an existing job is reclassified or restructured, youths employed in such jobs shall be paid at rates not less than are provided under paragraph (1) or (2), but if a labor organization represents employees engaged in similar work in the same area, such youths shall be paid at rates specified in an agreement entered into by the appropriate prime sponsor, the employer, and the labor organization with respect to such reclassified or restructured jobs, and if no agreement is reached within thirty days after the initiation of the agreement procedure referred to in this clause the labor organization, prime sponsor, or employer may petition the Secretary, who shall establish appropriate wages for the reclassified or restructured positions, taking into account wages paid by the same employer to persons engaged in similar work;

Pay rates.

"(C) whenever a new or different job classification or occupation is established and there is no dispute with respect to such new or different job classification or occupation, youths to be employed in such jobs shall be paid at rates not less than are provided in paragraph (1) or (2), but if there is a dispute with respect to such new or different job classification or occupation, the Secretary, shall within 30 days after receipt of the notice of protest by the labor organization representing employees engaged in similar work in the same area, make a determination whether such job is a new or different job classification or occupation; and

Job classification, determination.

Rates of pay. 40 USC 276a note.

"(D) in the case of projects to which the provision of the Davis-Bacon Act (or any Federal law containing labor standards in accordance with the Davis-Bacon Act) otherwise apply, the Secretary is authorized, for projects financed under subparts 2 and 3 under $5,000, to prescribe rates of pay for youth participants which are not less than the applicable minimum wage but not more than the wage rate of the entering apprentice in the most nearly comparable apprenticeable trade, and to prescribe the appropriate ratio of journeymen to such participating youths.

"SPECIAL CONDITIONS

Financial assistance. 29 USC 918.

"SEC. 443. (a) The Secretary shall provide financial assistance under this part only if he determines that the activities to be assisted meet the requirements of this section.

"(b) The Secretary shall determine that the activities assisted under this part—

"(1) will result in an increase in employment opportunities over those opportunities which would otherwise be available;

"(2) will not result in the displacement of currently employed workers (including partial displacement such as reduction in the hours of nonovertime work or wages or employment benefits);

"(3) will not impair existing contracts for services or result in the substitution of Federal for other funds in connection with work that would otherwise be performed;

"(4) will not substitute jobs assisted under this part for existing federally assisted jobs;

"(5) will not employ any youth when any other person is on layoff by the employer from the same or any substantially equivalent job in the same area; and

"(6) will not be used to employ any person to fill a job opening created by the act of an employer in laying off or terminating employment of any regular employee, or otherwise reducing the regular work force not supported under this part, in anticipation of filling the vacancy so created by hiring a youth to be supported under this part.

"(c) The jobs in each promotional line will in no way infringe upon the promotional opportunities which would otherwise be available to persons currently employed in public services not subsidized under this Act and no job will be filled in other than an entry level position in each promotional line until applicable personnel procedures and collective-bargaining agreements have been complied with.

Labor organization, notifications.

"(d) Where a labor organization represents employees who are engaged in similar work in the same area to that proposed to be performed under the program for which an application is being developed for submission under this part, such organization shall be notified and shall be afforded a reasonable period of time prior to the submission of the application in which to make comments to the applicant and to the Secretary.

"(e) Activities funded under this part shall meet such other standards as the Secretary may deem appropriate to carry out the purposes of this Act.

Full-time employment, prohibitions.

"(f) Funds under this part shall not be used to provide full-time employment opportunities (1) for any person who has not attained the age with respect to which the requirement of compulsory education ceases to apply under the laws of the State in which such individual resides, except (A) during periods when school is not in session, and (B) where employment is undertaken in cooperation with school-related programs awarding academic credit for the work experience, or (2) for any person who has not attained a high school degree or its equivalent if it is determined, in accordance with procedures established by the Secretary, that there is substantial evidence that such person left school in order to participate in any program under this part.

"SPECIAL PROVISIONS FOR SUBPARTS 2 AND 3

Handicapped and others.
29 USC 919.

"SEC. 444. (a) Appropriate efforts shall be made to ensure that youths participating in programs, projects, and activities under subparts 2 and 3 shall be youths who are experiencing severe handicaps in obtaining employment, including but not limited to those who lack credentials (such as a high school diploma), those who require substantial basic and remedial skill development, those who are women and minorities, those who are veterans of military service, those who are offenders, those who are handicapped, those with dependents, or those who have otherwise demonstrated special need, as determined by the Secretary.

Reallocation.

"(b) The Secretary is authorized to make such reallocation as the Secretary deems appropriate of any amount of any allocation under subparts 2 and 3 to the extent that the Secretary determines that an

eligible applicant will not be able to use such amount within a reasonable period of time. Any such amount may be reallocated only if the Secretary has provided 30 days' advance notice of the proposed reallocation to the eligible applicant and to the Governor of the State of the proposed reallocation, during which period of time the eligible applicant and the Governor may submit comments to the Secretary. After considering any comments submitted during such period, the Secretary shall notify the Governor and affected eligible applicants of any decision to reallocate funds, and shall publish any such decision in the Federal Register. Priority shall be given in reallocating such funds to other areas within the same State.

Publication in Federal Register.

"(c) The provisions of section 121(g)(1)(C) shall apply to subparts 2 and 3.

Ante, p. 1934.

"ACADEMIC CREDIT, EDUCATION CREDIT, COUNSELING AND PLACEMENT SERVICES, AND BASIC SKILLS DEVELOPMENT

"SEC. 445. (a) In carrying out this part, appropriate efforts shall be made to encourage the granting by the educational agency or school involved of academic credit to eligible participants who are in school.

29 USC 920.

"(b) The Secretary, in carrying out the purposes of this part, shall cooperate with the Secretary of Health, Education, and Welfare to make suitable arrangements with appropriate State and local education officials whereby academic credit may be awarded, consistent with applicable State law, by educational institutions and agencies for competencies derived from work experience obtained through programs established under this part.

Cooperation with Secretary of HEW.

"(c) All activities assisted under this part, pursuant to such regulations as the Secretary shall prescribe, shall provide appropriate counseling and placement services designed to facilitate the transition of youth from participation in the project to (1) permanent jobs in the public or private sector, or (2) education or training programs.

Regulations.

"DISREGARDING EARNINGS

"SEC. 446. Earnings and allowances received by any youth under this part shall be disregarded in determining the eligibility of the youth's family for, and the amount of, any benefits based on need under any Federal or federally assisted programs.

29 USC 921.

"RELATION TO OTHER PROVISIONS

"SEC. 447. The provisions of title I shall apply to this part, except to the extent that any such provision may be inconsistent with the provisions of this part.

29 USC 922.
Ante, p. 1917.

"PART B—JOB CORPS

"STATEMENT OF PURPOSE

"SEC. 450. This part establishes a Job Corps for economically disadvantaged young men and women, sets forth standards and procedures for selecting individuals as enrollees in the Job Corps, authorizes the establishment of residential and nonresidential centers in which enrollees will participate in intensive programs of education, vocational training, work experience, counseling and other activities, and prescribes various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps. The

Establishment.
29 USC 923.

purpose of this part is to assist young persons who need and can benefit from an unusually intensive program, operated in a group setting, to become more responsible, employable, and productive citizens; and to do so in a way that contributes, where feasible, to the development of national, State, and community resources, and to the development and dissemination of techniques for working with the disadvantaged that can be widely utilized by public and private institutions and agencies.

"ESTABLISHMENT OF THE JOB CORPS

"SEC. 451. There is established within the Department of Labor a 'Job Corps'. 29 USC 924.

"INDIVIDUALS ELIGIBLE FOR THE JOB CORPS

"SEC. 452. To become an enrollee in the Job Corps, a young man or woman must be an eligible youth who— 29 USC 925.

"(1) has attained age 14 but not attained age 22 at the time of enrollment, except that such maximum age limitation may be waived, in accordance with regulations of the Secretary, in the case of any handicapped individual; Regulations.

"(2) is economically disadvantaged or is a member of a family which is economically disadvantaged, and who requires additional education, training, or intensive counseling and related assistance in order to secure and hold meaningful employment, participate successfully in regular school work, qualify for other suitable training programs, or satisfy Armed Forces requirements;

"(3) is currently living in an environment so characterized by cultural deprivation, a disruptive homelife, or other disorienting conditions as to substantially impair prospects for successful participation in other programs providing needed training, education, or assistance;

"(4) is determined, after careful screening as provided for in sections 453 and 454 to have the present capabilities and aspirations needed to complete and secure the full benefit of the Job Corps and to be free of medical and behavioral problems so serious that the individual could not adjust to the standards of conduct, discipline, work, and training which the Job Corps involves; and

"(5) meets such other standards for enrollment as the Secretary may prescribe and agrees to comply with all applicable Job Corps rules and regulations.

"SCREENING AND SELECTION OF APPLICANTS: GENERAL PROVISIONS

"SEC. 453. (a) The Secretary shall prescribe specific standards and procedures for the screening and selection of applicants for the Job Corps. To the extent practicable, these rules shall be implemented through arrangements with agencies and organizations such as community action agencies, public employment offices, professional groups, labor organizations, and agencies and individuals having contact with youths over substantial periods of time and able to offer reliable information as to their needs and problems. The rules shall provide for necessary consultation with other individuals and organizations, including court, probation, parole, law enforcement, education, welfare, and medical authorities and advisers. The rules shall also provide for the interviewing of each applicant for the purpose of— 29 USC 926. Rules.

"(1) determining whether the applicant's educational and vocational needs can best be met through the Job Corps or an alternative program in the applicant's home community;

"(2) obtaining from the applicant pertinent data relating to background, needs, and interests for determining eligibility and potential assignment; and

"(3) giving the applicant a full understanding of the Job Corps and what will be expected of an enrollee in the event of acceptance.

"(b) The Secretary shall make no payments to any individual or organization solely as compensation for referring the names of candidates for Job Corps.

Rural youth.

"(c) The Secretary shall assure that Job Corps enrollees include an appropriate number of candidates selected from rural areas, taking into account the proportions of eligible youth who reside in rural areas and the need to provide residential facilities for such youth.

"SCREENING AND SELECTION: SPECIAL LIMITATIONS

29 USC 927.

"SEC. 454. (a) No individual shall be selected as an enrollee unless there is reasonable expectation that the individual can participate successfully in group situations and activities, is not likely to engage in behavior that would prevent other enrollees from receiving the benefit of the program or be incompatible with the maintenance of sound discipline and satisfactory relationships between the center to which the individual might be assigned and surrounding communities, and unless the individual manifests a basic understanding of both the rules to which the individual will be subject and of the consequences of failure to observe those rules.

Probation or parole, release.

"(b) An individual on probation or parole may be selected only if release from the supervision of the probation or parole officials is satisfactory to those officials and the Secretary and does not violate applicable laws or regulations. No individual shall be denied a position in the Job Corps solely on the basis of that individual's contact with the criminal justice system.

"ENROLLMENT AND ASSIGNMENT

29 USC 928.

"SEC. 455. (a) No individual may be enrolled in the Job Corps for more than two years, except as the Secretary may authorize in special cases.

"(b) Enrollment in the Job Corps shall not relieve any individual of obligations under the Military Selective Service Act (50 U.S.C. App. 451 et seq.).

"(c) After the Secretary has determined whether an enrollee is to be assigned to a Job Corps Center or a Job Corps Civilian Conservation Center, the enrollee shall be assigned to the center of the appropriate type which is closest to the enrollee's home, except that the Secretary may waive this requirement for good cause, including to ensure an equitable opportunity for youth from various sections of the Nation to participate in the program, to prevent undue delays in assignment, to adequately meet the educational or other needs of an enrollee, and for efficiency and economy in the operation of the program.

Waiver.

"JOB CORPS CENTERS

Agreements with other agencies. 29 USC 929.

"SEC. 456. (a) The Secretary may make agreements with Federal, State, or local agencies, including a State board or agency designated pursuant to section 104(a)(1) of the Vocational Education Act of

1963 which operates or wishes to develop area vocational education school facilities or residential vocational schools (or both) as authorized by such Act, or private organizations for the establishment and operation of Job Corps centers. Job Corps centers may be residential or nonresidential in character, or both, and shall be designed and operated so as to provide enrollees, in a well-supervised setting, with education, vocational training, work experience (either in direct program activities or through arrangements with employers), counseling, and other services appropriate to their needs. The centers shall include Civilian Conservation Centers, located primarily in rural areas, which shall provide, in addition to other training and assistance, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest. The centers shall also include training centers located in either urban or rural areas which shall provide activities including training and other services for specific types of skilled or semi-skilled employment.

20 USC 2304, 2392.

Civilian Conservation Centers.

"(b) To the extent feasible, Job Corps centers shall offer education and vocational training opportunities, together with supportive services, on a nonresidential basis to participants in other programs under this Act. Such opportunities may be offered on a reimbursable basis or through such other arrangements as the Secretary may specify.

"PROGRAM ACTIVITIES

"SEC. 457. (a) Each Job Corps center shall provide enrollees with an intensive, well-organized, and fully supervised program of education, vocational training, work experience, planned vocational and recreational activities, physical rehabilitation and development, and counseling. To the fullest extent feasible, the required program shall include activities to assist enrollees in choosing realistic career goals, coping with problems they may encounter in home communities, or in adjusting to new communities, and planning and managing daily affairs in a manner that will best contribute to long-term upward mobility. Center programs shall include required participation in center maintenance work to assist enrollees in increasing their sense of contribution, responsibility, and discipline.

29 USC 930.

"(b) The Secretary may arrange for enrollee education and vocational training through local public or private educational agencies, vocational educational institutions, or technical institutes, whenever such institutions provide training substantially equivalent in cost and quality to that which the Secretary could provide through other means.

Arrangements with local educational agencies and technical institutes.

"(c) To the extent feasible, arrangements for education, both at the center and at other locations, shall provide opportunities for qualified enrollees to obtain the equivalent of a certificate of graduation from high school. The Secretary, with the concurrence of the Secretary of Health, Education, and Welfare, shall develop certificates to be issued to each enrollee who satisfactorily completes service in the Job Corps and which will reflect the enrollee's level of educational attainment.

Graduation certificate.

Concurrence with Secretary of HEW.

"ALLOWANCES AND SUPPORT

"SEC. 458 (a) The Secretary is authorized to provide enrollees with such personal, travel, and leave allowances, and such quarters, subsistence, transportation, equipment, clothing, recreational services, and other expenses as he may deem necessary or appropriate to their needs. For the fiscal year ending September 30, 1979, personal allowances

29 USC 931.

shall be established at a rate not to exceed $60 per month during the first 6 months of an enrollee's participation in the program and not to exceed $100 per month thereafter, except that allowances in excess of $60 per month, but not exceeding $100 per month, may be provided from the beginning of an enrollee's participation if it is expected to be of less than 6 months' duration and the Secretary is authorized to pay personal allowances in excess of the rates specified in this subsection in unusual circumstances as determined by him. For fiscal years beginning on or after October 1, 1979, such personal allowance limitations may be increased, by regulation, as the Secretary determines appropriate. Such allowances shall be graduated up to the maximum so as to encourage continued participation in the program, achievement and the best use by the enrollee of the funds so provided and shall be subject to reduction in appropriate cases as a disciplinary measure. To the degree reasonable, enrollees shall be required to meet or contribute to costs associated with their individual comfort and enjoyment from their personal allowances.

Personal allowance limitation increase. Regulation.

"(b) The Secretary shall prescribe rules governing the accrual of leave by enrollees. Except in the case of emergency, he shall in no event assume transportation costs connected with leave of any enrollee who has not completed at least 6-months' service in the Job Corps.

Leave. Rules.

"(c) The Secretary may provide each former enrollee upon termination, a readjustment allowance at a rate not to exceed, for the fiscal year ending September 30, 1979, $100 for each month of satisfactory participation in the Job Corps. For fiscal years beginning on or after October 1, 1979, such readjustment allowance limitation may be increased, by regulation, as the Secretary determines appropriate. No enrollee shall be entitled to a readjustment allowance unless he has remained in the program at least 90 days, except in unusual circumstances as determined by the Secretary. The Secretary may, from time to time, to advance to or on behalf of an enrollee such portions of his readjustment allowances as the Secretary deems necessary to meet extraordinary financial obligations incurred by that enrollee. The Secretary is authorized, pursuant to rules or regulations, reduce the amount of an enrollee's readjustment allowance as a penalty for misconduct during participation in the Job Corps. In the event of an enrollee's death during his period of service, the amount of any unpaid readjustment allowance shall be paid in accordance with the provisions of section 5582 of title 5, United States Code.

Readjustment allowance.

Beneficiary payment.

"(d) Such portion of the readjustment allowance as prescribed by the Secretary may be paid monthly during the period of service of the enrollee directly to a spouse or child of an enrollee, or to any other relative who draws substantial support from the enrollee, and any amount so paid shall be supplemented by the payment of an equal amount by the Secretary.

"STANDARDS OF CONDUCT

29 USC 932.

"SEC. 459. (a) Within Job Corps centers standards of conduct shall be provided and stringently enforced. If violations are committed by enrollees, dismissal from the Corps or transfers to other locations shall be made if it is determined that retention in the Corps, or in the particular center, will jeopardize the enforcement of such standards or diminish the opportunities of other enrollees.

"(b) To promote the proper moral and disciplinary conditions in the Job Corps, the directors of Job Corps centers shall take appropriate disciplinary measures against enrollees, including dismissal from the Job Corps, subject to expeditious appeal to the Secretary.

"COMMUNITY PARTICIPATION

"SEC. 460. The Secretary shall encourage and cooperate in activities to establish a mutually beneficial relationship between Job Corps centers and nearby communities. These activities shall include the establishment of community advisory councils to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest. Youth shall be represented on the advisory council and separate youth councils may be established composed of enrollees and young people from the communities. The Secretary shall assure that each center is operated with a view to achieving, so far as possible, objectives which shall include— 29 USC 933.

"(1) giving community officials appropriate advance notice of changes in center rules, procedures, or activities that may affect or be of interest to the community;

"(2) affording the community a meaningful voice in center affairs of direct concern to it, including policies governing the issuance and terms of passes to enrollees;

"(3) providing center officials with full and rapid access to relevant community groups and agencies, including law enforcement agencies and agencies which work with young people in the community;

"(4) encouraging the fullest practicable participation of enrollees in programs for community improvement or betterment, with appropriate advance consultation with business, labor, professional, and other interested community groups;

"(5) arranging recreational, athletic, or similar events in which enrollees and local residents may participate together;

"(6) providing community residents with opportunities to work with enrollees directly as part-time instructors, tutors, or advisers, either in the center or in the community;

"(7) developing, where feasible, job or career opportunities for enrollees in the community; and

"(8) promoting interchanges of information and techniques among, and cooperative projects involving, the center and community schools, educational institutions, agencies serving young people and recipients of funds under this Act.

"COUNSELING AND JOB PLACEMENT

"SEC. 461. (a) The Secretary shall counsel and test each enrollee at regular intervals to measure progress in educational and vocational programs. 29 USC 934.

"(b) The Secretary shall counsel and test enrollees prior to their scheduled terminations to determine their capabilities and shall make every effort to place them in jobs in the vocation for which they are trained or to assist them in attaining further training or education. In placing enrollees in jobs, the Secretary shall utilize the public employment service system to the fullest extent possible.

"(c) The Secretary shall determine the status and progress of enrollees scheduled for termination and make every effort to assure that their needs for further education, training, and counseling are met.

"(d) The Secretary shall arrange for the readjustment allowance to be paid to former enrollees (who have not already found employment) at the State employment service office nearest the home of any such former enrollee who is returning home, or at the nearest such office

where the former enrollee has indicated an intent to reside. If the Secretary uses any other public agency or private organization in lieu of the public employment service system, the Secretary shall arrange for that organization or agency to pay the readjustment allowance.

"EXPERIMENTAL AND DEVELOPMENTAL PROJECTS

29 USC 935.

"SEC. 462. (a)(1) The Secretary is authorized to undertake experimental, research, or demonstration projects to develop or test ways of better using facilities, encouraging a more rapid adjustment of enrollees to community life that will permit a reduction in their period of enrollment, reducing transportation and support costs, or otherwise promoting greater efficiency and effectiveness in the program. These projects shall include one or more projects providing youths with education, training, and other supportive services on a combined residential and nonresidential basis.

"(2) The Secretary is authorized to undertake one or more pilot projects designed to involve youth who have a history of serious and violent behavior against persons or property, repetitive delinquent acts, narcotics addiction, or other behavorial aberrations.

Consultation.

"(3) Projects under this subsection shall be developed after appropriate consultation with other Federal or State agencies conducting similar or related programs or projects and with the prime sponsors in the communities where the projects will be carried out. They may be undertaken jointly with other Federal or federally assisted programs, and funds otherwise available for activities under those programs shall, with the consent of the head of any agency concerned, be available for projects under this section to the extent they include the same or substantially similar activities. The Secretary is authorized to waive any provision of this part which the Secretary finds would prevent the carrying out of elements of projects under this subsection essential to a determination of their feasibility and usefulness. The Secretary shall, in the annual report of the Secretary, report to the Congress concerning the actions taken under this section, including a full description of progress made in connnection with combined residential and nonresidential projects.

Waiver.

Report to Congress.

Cooperation with Secretary of HEW.

"(b) In order to determine whether upgraded vocational education schools could eliminate or substantially reduce the school dropout problem, and to demonstrate how communities could make maximum use of existing educational and training facilities, the Secretary, in cooperation with the Secretary of Health, Education, and Welfare, is authorized to enter into one or more agreements with State educational agencies to pay the cost of establishing and operating model community vocational education schools and skill centers.

"ADVISORY BOARDS AND COMMITTEES

29 USC 936.

"SEC. 463. The Secretary is authorized to make use of advisory committees in connection with the operation of the Job Corps, and the operation of Job Corps centers, whenever the Secretary determines that the availability of outside advice and counsel on a regular basis would be of substantial benefit in identifying and overcoming problems, in planning program or center development, or in strengthening relationships between the Job Corps and agencies, institutions, or groups engaged in related activities.

"PARTICIPATION OF THE STATES

"SEC. 464. (a) The Secretary shall take action to facilitate the effective participation of States in the Job Corps programs, including consultation with appropriate State agencies on matters pertaining to the enforcement of applicable State laws, standards of enrollee conduct and discipline, the development of meaningful work experience and other activities for enrollees, and coordination with State-operated programs. Consultation with State agencies. 29 USC 937.

"(b) The Secretary is authorized to enter into agreements with States to assist in the operation or administration of State-operated programs which carry out the purpose of this part. The Secretary is authorized, pursuant to regulations, to pay part or all of the costs of such programs.

"(c) No Job Corps center or other similar facility designed to carry out the purpose of this part shall be established within a State unless a notice setting forth such proposed establishment has been submitted to the Governor, and the establishment has not been disapproved by the Governor within 30 days of such submission.

"(d) All property which would otherwise be under exclusive Federal legislative jurisdiction shall be under concurrent jurisdiction with the appropriate State and locality with respect to criminal law enforcement as long as a Job Corps center is operated on such property.

"APPLICATION OF PROVISIONS OF FEDERAL LAW

"SEC. 465. (a) Except as otherwise provided in this subsection and in section 8143(a) of title 5, United States Code, enrollees in the Job Corps shall not be considered Federal employees and shall not be subject to the provisions of law relating to Federal employment, including those regarding hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits: 29 USC 938.

"(1) For purposes of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) and title II of the Social Security Act (42 U.S.C. 401 et seq.) enrollees shall be deemed employees of the United States and any service performed by an individual as an enrollee shall be deemed to be performed in the employ of the United States.

"(2) For purposes of subchapter I of chapter 81 of title 5, United States Code (relating to compensation to Federal employees for work injuries), enrollees shall be deemed civil employees of the United States within the meaning of the term 'employee' as defined in section 8101 of title 5, United States Code, and the provisions of that subchapter shall apply except— 5 USC 8101.

"(A) the term 'performance of duty' shall not include any act of an enrollee while absent from the assigned post of duty of such enrollee, except while participating in an activity (including an activity while on pass or during travel to or from such post or duty) authorized by or under the direction and supervision of the Job Corps; "Performance of duty."

"(B) in computing compensation benefits for disability or death, the monthly pay of an enrollee shall be deemed that received under the entrance salary for a grade GS-2 employee, and sections 8113 (a) and (b) of title 5, United States Code, shall apply to enrollees; and

"(C) compensation for disability shall not begin to accrue until the day following the date on which the injured enrollee is terminated.

"(3) For purposes of the Federal tort claims provisions in title 28, United States Code, enrollees shall be considered employees of the Government.

"(b) Whenever the Secretary finds a claim for damages to persons or property resulting from the operation of the Job Corps to be a proper charge against the United States, and it is not cognizable under section 2672 of title 28, United States Code, the Secretary is authorized to adjust and settle it in an amount not exceeding $1,500.

"(c) Personnel of the uniformed services who are detailed or assigned to duty in the performance of agreements made by the Secretary for the support of the Corps shall not be counted in computing strength under any law limiting the strength of such services or in computing the percentage authorized by law for any grade in such services.

"SPECIAL PROVISIONS

Enrollment of women.
29 USC 939.

"SEC. 466. (a) The Secretary shall immediately take steps to achieve an enrollment of 50 percent women in the Job Corps consistent with (1) efficiency and economy in the operation of the program, (2) sound administrative practice, and (3) the socioeconomic, educational, and training needs of the population to be served.

"(b) The Secretary shall assure that all studies, evaluations, proposals, and data produced or developed with Federal funds in the course of the Job Corps program shall become the property of the United States.

"(c) Transactions conducted by private for-profit contractors for Job Corps centers which they are operating on behalf of the Secretary shall not be considered as generating gross receipts.

"GENERAL PROVISIONS

"SEC. 467. The Secretary is authorized to—

Information, dissemination.
29 USC 940.

"(1) disseminate, with regard to the provisions of section 4154 of title 39, United States Code, data and information in such forms as the Secretary shall deem appropriate, to public agencies, private organizations, and the general public;

"(2) collect or compromise all obligations to or held by the Secretary and all legal or equitable rights accuring to the Secretary in connection with the payment of obligations until such time as such obligations may be referred to the Attorney General for suit or collection; and

Printing and binding.

"(3) expend funds made available for purposes of this part—

"(A) for printing and binding, in accordance with applicable law and regulation; and

Buildings, rent and repair.

"(B) without regard to any other law or regulation, for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by the Secretary, except that the Secretary shall not utilize the authority contained in this subparagraph—

"(i) except when necessary to obtain an item, service, or facility, which is required in the proper administration of this part, and which otherwise could not be obtained, or could not be obtained in the quantity or quality needed, or at the time, in the form or under the conditions in which it is needed; and

Written notification to Administrator of General Services.

"(ii) prior to having given written notification to the Administrator of General Services (if the exercise of such

authority would affect an activity which otherwise would be under the jurisdiction of the General Services Administration) of the Secretary's intention to exercise such authority, the item, service, or facility with respect to which such authority is proposed to be exercised, and the reasons and justifications for the exercise of such authority.

"UTILIZATION OF FUNDS

"SEC. 468. Notwithstanding the limitations of title II and part C of this title, financial assistance under title II and part C of this title which is used for the Job Corps program, may be used in accordance with the provisions of this part. 29 USC 941. *Ante*, p. 1950. *Infra.*

"PART C—SUMMER YOUTH PROGRAM

"ESTABLISHMENT OF PROGRAM

"SEC. 481. (a) The Secretary shall provide financial assistance to prime sponsors to conduct programs for eligible youth during the summer months. 29 USC 942.

"(b) Programs shall provide eligible youth with useful work and sufficient basic education and institutional or on-the-job training to assist these youths to develop their maximum occupational potential and to obtain employment not subsidized under this Act.

"PRIME SPONSORS

"SEC. 482. Prime sponsors eligible for assistance under this part shall be prime sponsors designated under section 101(c) and Native American entities described in section 302(c)(1). 29 USC 943. *Ante*, pp. 1917, 1962.

"FINANCIAL ASSISTANCE

"SEC. 483. (a) In order to receive financial assistance under this part, a prime sponsor shall submit to the Secretary an annual plan pursuant to section 103. 29 USC 944. *Ante*, p. 1918.

"(b) The funds appropriated for this part in any fiscal year shall be allocated according to the procedures set forth in subsection (c) except that the Secretary may reserve up to 5 percent of the appropriated funds to be used in the Secretary's discretion including allocations to Native American entities under subsection (c)(2).

"(c)(1) In allocating funds under this part, the Secretary shall add to the new appropriation the total amount of summer funds unspent in the previous year's summer program. Allocation of funds.

"(2) Funds for prime sponsors designated under section 101(c) shall be allocated as follows:

"(A)(i) 50 percent of such funds shall be allocated on the basis of each prime sponsor's proportion of the funds allocated for the previous year's summer programs;

"(ii) 37½ percent of the funds shall be allocated based on the ratio of the annual average number of unemployed persons in the prime sponsor's area to the total annual average number of unemployed persons in the United States;

"(iii) 12½ percent of the funds shall be allocated based on the ratio of the number of adults in low-income families in the prime sponsor's area to the total number of adults in low-income families in the United States; except that— Low-income families, ratio.

"(B) each prime sponsor shall receive an allocation which, when added to its unexpended allocation for the previous fiscal year, shall be at least equal to the amount available to it for its summer program in the previous fiscal year.

Native American entities, allocation of funds.

"(3) Funds for Native American entities described in section 302 (c)(1) shall be allocated based on the ratio of the number of Native American youths 14 through 21 years of age inclusive in the eligible prime sponsor's area to the total number of Native American youths 14 through 21 years of age inclusive in all Native American entity areas, except that each Native American entity shall receive an amount of funds equal to the amount allocated to it in the previous fiscal year.

"(4) The total allocation to Guam, the Virgin Islands, American Samoa, Northern Marianas, and the Trust Territory of the Pacific Islands shall be equal to the same percentage of the funds allocated to Guam, the Virgin Islands, American Samoa, Northern Marianas, and the Trust Territory of the Pacific Islands under the previous year's summer program.

"SECRETARIAL AUTHORITY

Regulations. 29 USC 945.

"SEC. 484. Programs under this part shall meet such regulations, standards, and guidelines as the Secretary shall establish.

"TITLE V—NATIONAL COMMISSION FOR EMPLOYMENT POLICY

"STATEMENT OF PURPOSE

29 USC 951.

"SEC. 501. The purpose of this title is to establish a National Commission for Employment Policy which will have the responsibility for examining broad issues of development, coordination, and administration and employment and training programs, and for advising the President and the Congress on national employment and training issues.

"COMMISSION ESTABLISHED

29 USC 952.

"SEC. 502. (a) There is established a National Commission for Employment Policy (formerly known as the National Commission for Manpower Policy and hereinafter in this title referred to as the 'Commission'). The Commission shall be composed of 15 members selected as follows:

Membership.

"(1) The Secretary, the Secretary of Health, Education, and Welfare, the Administrator of Veterans' Affairs, the Chairman of the Equal Employment Opportunity Commission, and the Director of the Community Services Administration.

"(2) A representative of the National Advisory Council on Vocational Education established under section 162 of the Vocational Education Act of 1963.

20 USC 2392.

"(3) Nine members, appointed by the President, broadly representative of labor, industry, commerce, education (including vocational and technical education), veterans, State and local elective officials currently serving in office, community based organizations, individuals served by employment and training programs and of the general public.

"(b) In making the first appointments under clause (3) of subsection (a), the President may appoint not more than 3 individuals who are serving as members of the National Commission for Manpower Policy on the effective date of this subsection. Any such individuals shall serve for a term of 1 year.

Term of office.

"(c) The term of office of each member of the Commission appointed under clause (3) of subsection (a) shall be 3 years, except that— Term of office.

"(1) any member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed, and

"(2) of the members first taking office—

"(A) 3 shall serve for terms of 1 year;

"(B) 3 shall serve for terms of 2 years; and

"(C) 3 shall serve for terms of 3 years;

as designated by the President at the time of appointment (subject to the provisions of the last sentence of subsection (b)).

"(d)(1) The Chairman shall be selected by the President from among members appointed pursuant to clause (3) of subsection (a). Chairman.

"(2) The Commission shall meet not fewer than 3 times each year at the call of the Chairman.

"(3) A majority of the members of the Commission shall constitute a quorum, but a lesser number may conduct hearings. Any recommendation may be passed only by a majority of the members present. Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

"(e) The Chairman (with the concurrence of the Commission) shall appoint a Director, who shall be chief executive officer of the Commission and shall perform such duties as are prescribed by the Chairman.

"FUNCTIONS OF THE COMMISSION

"SEC. 503. The Commission shall— 29 USC 953.

"(1) identify the employment goals and needs of the Nation, and assess the extent to which employment and training, vocational education, institutional training, vocational rehabilitation, economic opportunity programs, public assistance policies, employment-related tax policies, labor exchange policies, and other policies and programs under this Act and related Acts represent a consistent, integrated, and coordinated approach to meeting such needs and achieving such goals;

"(2) develop and make appropriate recommendations (including recommendations responsive to requests made by the Committee on Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives), and develop innovative approaches, designed to meet the needs and goals described in clause (1);

"(3) examine and evaluate the effectiveness of any federally assisted employment and training programs (including programs assisted under this Act), with particular reference to the contributions of such programs to the achievement of objectives sought by the recommendations made under clause (2);

"(4) examine and evaluate major Federal programs which are intended to, or potentially could, contribute to achieving major objectives of existing employment and training and related legislation or the objectives set forth in the recommendations of the Commission, with particular attention shall be given to the programs which are designed, or could be designed, to develop information and knowledge about employment and training problems through research and demonstration projects or to train personnel in fields (such as occupational counseling, guidance, and placement) which are vital to the success of employment and training programs;

Consultation with National Advisory Council on Vocational Education.

"(5)(A) identify, after consultation with the National Advisory Council on Vocational Education, the employment and training and vocational education needs of the Nation and assess the extent to which employment and training, vocational education, vocational rehabilitation, and other programs assisted under this and related Acts represent a consistent, integrated, and coordinated approach to meeting such needs; and

"(B) comment, at least once annually, on the reports of the National Advisory Council on Vocational Education which comments shall be included in one of the reports submitted by the National Commission pursuant to this title and in one of the reports submitted by the National Advisory Council on Vocational Education pursuant to section 162 of the Vocational Education Act of 1963;

20 USC 2392.

Impact of energy shortages, study and recommendations to Congress.

"(6) evaluate and continue to study and make recommendations to the Congress on the impact of energy shortages and new energy developments upon employment and training needs and include the findings and recommendations with respect thereto in the reports required by section 505;

"(7) study and make recommendations on how, through policies and actions in the public and private sectors, the Nation can attain and maintain full employment, with special emphasis on the employment difficulties faced by the segments of the labor force that experience differentially high rates of unemployment;

"(8) identify and assess the goals and needs of the Nation with respect to economic growth and work improvements, including conditions of employment, organizational effectiveness and efficiency, alternative working arrangements, and technological changes;

"(9) examine and evaluate the relationships between employment and training programs assisted under this Act with programs under parts A and C of title IV of the Social Security Act and related public assistance programs under the Social Security Act; and

42 USC 601, 630.

Ante, p. 1950.
29 USC 801 note.

"(10)(A) examine and evaluate the eligibility standards set forth in titles II and VI of this Act, and of the Comprehensive Employment and Training Act of 1973, to determine their impact on single heads of households (especially women and older Americans); and (B) submit a report, not later than July 1, 1979, to the Congress, for appropriate referral, on the Commission's findings together with any proposed changes in this Act concerning the eligibility standards for such single heads of households.

"ADMINISTRATIVE PROVISIONS

29 USC 954.

"SEC. 504. (a) Subject to such rules and regulations as may be adopted by the Commission, the Chairman is authorized to—

"(1) prescribe such rules and regulations as may be necessary;

"(2) appoint and fix the compensation of such staff personnel as the Chairman deems necessary, and without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and the General Schedule pay rates, appoint not to exceed 3 additional professional personnel;

5 USC 5101 *et seq.*, 5331

"(3) procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code;

"(4) accept voluntary and uncompensated services of professional personnel, consultants, and experts, notwithstanding any other provision of law;

"(5) accept in the name of the United States and employ or dispose of gifts or bequests to carry out the functions of the Commission under this title;

"(6) enter into contracts and make such other arrangements and modifications, as may be necessary; Contract authority.

"(7) conduct such studies, hearings, research activities, demonstration projects, and other similar activities as the Commission deems necessary to enable the Commission to carry out its functions under this title;

"(8) use the services, personnel, facilities, and information of any department, agency, and instrumentality of the executive branch of the Federal Government and the services, personnel, facilities, and information of State and local public agencies and private research agencies, with the consent of such agencies, with or without reimbursement therefor; and

"(9) make advances, progress, and other payments necessary under this Act without regard to the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529).

"(b) Upon request made by the Chairman of the Commission, each department, agency, and instrumentality of the executive branch of the Federal Government is authorized and directed to make its services, personnel, facilities, and information (including computer-time, estimates, and statistics) available to the greatest practicable extent to the Commission in the performance of its functions under this Act.

"REPORTS

"SEC. 505. The Commission shall make at least annually a report of its findings and recommendations to the President and the Congress. The Commission may make such interim reports or recommendations to the Congress, the President, the Secretary, or to the heads of other Federal departments and agencies, and in such form, as it may deem desirable. The Commission shall include in any report made under this section any minority or dissenting views submitted by any member of the Commission. Reports to President and Congress. 29 USC 955.

"TITLE VI—COUNTERCYCLICAL PUBLIC SERVICE EMPLOYMENT PROGRAM

"STATEMENT OF PURPOSE

"SEC. 601. It is the purpose of this title to provide for temporary employment during periods of high unemployment. It is the intent of Congress that such employment be provided during periods when the national rate of unemployment is in excess of 4 percent, and that the number of jobs funded shall be sufficient to provide jobs for 20 percent of the number of unemployed in excess of 4 percent, or 25 percent of the number of unemployed in excess of 4 percent in periods during which the national rate of unemployment is in excess of 7 percent. 29 USC 961.

"REPORT ON APPROPRIATIONS

Presidential reports to Congress.
29 USC 962.

"SEC. 602. (a)(1) On or before March 1 of each year, the President shall report to the Congress the amount that would be needed to be appropriated for the following fiscal year in order to provide jobs—

"(A) for 20 percent of the number of unemployed in excess of 4 percent; or

"(B) in fiscal years during which the President estimates that the national rate of unemployment will exceed 7 percent, for 25 percent of the number of unemployed in excess of 4 percent.

Such report shall contain the President's estimate of the unemployment rate for the following fiscal year, the number of unemployed in excess of 4 percent of the labor force, and the average man-year cost of each public service employment opportunity.

"(2) If during a fiscal year the rate of unemployment equals or exceeds 7 percent, and the President estimates that the rate of unemployment for the balance of such year will differ significantly from the rate contained in the most recent report submitted with respect to such year under this subsection or subsection (b), the President shall so report to the Congress and shall include the additional amount, if any, which would be needed to provide jobs for the applicable percentage of unemployed under paragraph (1)(A) or (1)(B). Such report shall also contain the information required by the last sentence of paragraph (1).

"(b) The President shall submit supplemental reports every three months thereafter containing any necessary revisions in the report required under subsection (a)(1) due to changes in his estimates of unemployment or the cost of providing public service jobs under this title.

"(c) The Secretary shall, as soon as practicable after submission of the report required under subsection (a), inform each prime sponsor of its estimated allocation on the basis of the amount of funds estimated in such report. Each prime sponsor's annual plan for using funds provided under this title shall contain provisions for an orderly transition from the number of jobs funded for the current year to the number of jobs which would be funded under such estimated allocation.

"FINANCIAL ASSISTANCE

29 USC 963.

"SEC. 603. (a) Not less than 80 percent of the funds allocated in accordance with the provisions of this title which are used by a prime sponsor for public service employment programs under this title shall be expended only for wages and employment benefits to persons employed in public service jobs pursuant to this title. Not less than 10 percent of the funds allocated in accordance with the provisions of this title for fiscal year 1979, and not less than 5 percent of such funds for any fiscal year thereafter, shall be expended for providing training and employability counseling and services to persons employed under this title. The remaining funds may be used for administrative and other allowable costs (such as supplies, materials, and equipment) incurred by the prime sponsor, program agents, project applicants or subgrantees or contractors, in accordance with such regulations as the Secretary may prescribe.

"(b) In filling teaching positions in elementary and secondary schools with financial assistance under this title, each prime sponsor shall give special consideration to unemployed persons with previous

teaching experience who are certified by the State in which that prime sponsor is located and who are otherwise eligible under the provisions of this title and such positions with local educational agencies shall be filled through subcontracting with the appropriate local educational agency.

"ALLOCATION OF FUNDS

"SEC. 604. (a) (1) The Secretary shall reserve an amount equal to not less than 2 percent of the amounts made available for this title for any fiscal year to enable Native American entities which are eligible entities under section 606(a)(2) to carry out public service employment programs. 29 USC 964.

"(2) Not less than 85 percent of the amounts made available pursuant to section 602 for any fiscal year shall be allocated among prime sponsors by the Secretary in accordance with the provisions of paragraph (3).

"(3)(A) Fifty percent of the amount allocated under this subsection shall be allocated among prime sponsors in proportion to the relative number of unemployed persons who reside within the jurisdiction of each such prime sponsor as compared to the number of unemployed persons who reside in all the States.

"(B) Twenty-five percent of the amount allocated under this subsection shall be allocated among prime sponsors in accordance with the number of unemployed persons residing in areas of substantial unemployment within the jurisdiction of the prime sponsor compared to the number of unemployed persons residing in all areas of substantial unemployment.

"(C) Twenty-five percent of the amount allocated under this subsection shall be allocated among prime sponsors on the basis of the relative excess number of unemployed persons who reside within the jurisdiction of the prime sponsor as compared to the total excess number of unemployed persons who reside within the jurisdiction of all prime sponsors. For purposes of this subparagraph, the term 'excess number' means (i) the number of unemployed persons, residing in the jurisdiction of the prime sponsor, in excess of 4½ percent of the labor force residing in such jurisdiction or (ii) in the case of a prime sponsor which is a State, the greater of the number determined under clause (i) or the number of unemployed persons in excess of 4½ percent of the labor force in areas of substantial unemployment located in the jurisdiction of such prime sponsor.

"(b)(1) The Secretary shall, from the remainder of the funds made available under this title, first use such remainder—

"(A) to provide continued support for concentrated employment program grantees serving rural areas having high levels of unemployment, and

"(B) to allocate among the prime sponsors serving areas within those standard metropolitan statistical areas and central cities for which current population surveys were used to determine annual unemployment data prior to January 1, 1978, in proportion to the extent to which such prime sponsors allocations under this section and title IV are reduced as a result of termination of the use of such surveys, but in no event shall such a prime sponsor receive an amount in excess of the amount of such reduction.

The allocations required under clause (B) of this paragraph shall not be made for any fiscal year beginning on or after October 1, 1980, or until such time as the Secretary determines that current population

survey data is available for use on a satisfactory basis for such areas and the remaining area of each State, whichever occurs first.

"(2) The remainder of the amount made available pursuant to section 602 shall be available to the Secretary for financial assistance to prime sponsors and Native American entities described in section 302(c)(1)(A) as the Secretary deems appropriate, taking into account changes in rates of unemployment.

"EXPENDITURE OF FUNDS

29 USC 965.

"SEC. 605. (a) Fifty percent of the funds available to any prime sponsor under this title may be used only for employment in projects (carried out by project applicants) planned to extend for not more than 18 months from the commencement of the project. A project may be extended for an additional 18 months if, after review of the project, the prime sponsor determines that the project has demonstrated its effectiveness in meeting the purposes of this title, in accordance with regulations issued by the Secretary. Employment that is not in such projects must be at entry level.

"(b) Each project applicant shall submit a project application to the appropriate program agent or prime sponsor. Such application shall contain such information as required by the Secretary's regulations.

"(c) Funds available to a prime sponsor under the second sentence of section 603(a) (with respect to training and employability counseling and services) shall be utilized for residents of the area who are employed under this title and who the prime sponsor determines, on the basis of an assessment of the employability of the participant, requires additional training or employability counseling or services in order to obtain unsubsidized employment.

"PRIME SPONSORS AND PROGRAM AGENTS

29 USC 966.

SEC. 606. (a) The Secretary shall provide financial assistance under this title only to—

"(1) prime sponsors designated under section 101(c), and

"(2) Native American entities described under section 302(c)(1)(A).

"(b)(1) Whenever a unit of general local government or combination of such units having a population of 50,000 or more (but less than that necessary to qualify as a prime sponsor under section 101) is within a prime sponsor's area, the prime sponsor shall, if such unit or units so desire, subgrant to such unit or units of general local government the functions of program agent with respect to the funds allocated to such prime sponsor on account of the area served by the program agent.

"(2) For purposes of this subsection, the functions of program agent include the administrative responsibility for developing, funding, overseeing, and monitoring programs within the area, but such functions shall be consistent with the annual employment and training plan and the subgrant which shall be developed by the prime sponsor in cooperation with the program agent.

"(3) Whenever two or more units of general local government qualify as program agents with respect to the same area qualifying for assistance, the provisions of section 101(b)(2) shall be applicable.

"ELIGIBILITY

"SEC. 607. An individual eligible to be employed in a position supported under this title shall be— 29 USC 967.

"(1) an individual—

"(A) who has been unemployed for at least 10 out of the 12 weeks immediately prior to a determination under this section, and

"(B) who is unemployed at the time the determination is made; and

"(2) an individual—

"(A) whose family income does not exceed 100 percent of the lower living standard income level (exclusive of unemployment compensation and all Federal, State, and local income-tested or needs-tested public payments) based on the 3-month period prior to the individual's application for participation; or

"(B) who is, or whose family is, receiving aid to families with dependent children provided under a State plan approved under part A of title IV of the Social Security Act, or who is receiving supplemental security income benefits under title XVI of the Social Security Act.

"WAGES

"SEC. 608. Individuals employed in public service employment under this title shall be paid wages in accordance with sections 122(j) and 124. 29 USC 968. *Ante*, pp. 1938, 1943.

"WAGE SUPPLEMENTATION

"SEC. 609. Public service employees (other than employees described in section 122(i)(4)(B)) receiving financial assistance under this title may have their wages supplemented by the payment of additional wages for such employment only under the following conditions: 29 USC 969.

"(1) the total amount of funds which may be used in any fiscal year to provide such supplemental wages shall not exceed a sum equal to 10 percent of such prime sponsor's allocation under this title for such fiscal year; and

"(2) the supplemental wages for any public service employee under this title may not exceed an amount equal to 10 percent of the maximum federally supported wage applicable for such prime sponsor area under section 608, except that, in the case of an area in which the average wage (during the calendar year preceding the beginning of the applicable fiscal year) in employment covered under Federal or State unemployment compensation laws (without regard to any limitation on the amount of such wages subject to contribution under such law) exceeds 125 percent, but does not exceed 150 percent, of the national average wage in such employment, the supplemental wages for any such employee may not exceed 20 percent of such federally supported wage.

"UTILIZATION OF FUNDS

"SEC. 610. Funds available under this title to a prime sponsor may be used, with respect to individuals qualifying for assistance under this title, for programs authorized under title II (other than public service employment), part A of title III, title IV, and title VII. 29 USC 970.

"TITLE VII—PRIVATE SECTOR OPPORTUNITIES FOR THE ECONOMICALLY DISADVANTAGED

"STATEMENT OF PURPOSE

29 USC 981.

"SEC. 701. It is the purpose of this title to demonstrate the effectiveness of a variety of approaches to increase the involvement of the business community, including small business and minority business enterprises, in employment and training activities under this Act, and to increase private sector employment opportunities for unemployed or underemployed persons who are economically disadvantaged. Employment and training opportunities for such eligible participants shall be made available by prime sponsors on an equitable basis in accordance with the purposes of this title among significant segments of the eligible population giving consideration to the relative numbers of eligible persons in each such segment.

"FINANCIAL ASSISTANCE

29 USC 982.

"SEC. 702. (a) The Secretary shall provide financial assistance to each prime sponsor designated under section 101(c) which includes satisfactory provisions in its annual plan for title II activities for carrying out the purposes of this title.

"(b) Ninety-five percent of the funds made available for carrying out this title shall be allocated by the Secretary on an equitable basis among such prime sponsors, taking into account the factors set forth in section 202(a). The remainder of the funds made available under this title shall be used by the Secretary to provide financial assistance to prime sponsors who join together to establish a single private industry council and to Native American entities described in sections 302(c)(1)(A) and (B) for carrying out the purposes of this title.

"CONDITIONS FOR RECEIPT OF FINANCIAL ASSISTANCE

29 USC 983.

"SEC. 703. (a) Each prime sponsor, and each entity described in section) 302(c)(1)(A) and (B), desiring to receive financial assistance under this title, as part of its plan for title II activities, shall describe its proposed private sector initiatives under this title and the integration of such initiatives with other training and placement activities under this Act. The description shall include an analysis of private sector job opportunities, including estimates by occupation, industry, and location utilizing information provided by the private industry council.

"(b) The Secretary shall provide financial assistance under this title to a prime sponsor, or an entity described in section 302(c)(1)(A) or (B), only if the Secretary determines that—

"(1) the proposed activities for which such financial assistance is to be used are consistent with the provisions of this Act and the regulations of the Secretary;

"(2) financial assistance made available under this title will be used to supplement, but not to supplant, on-the-job training and related activities carried out under other titles of this Act;

"(3) the private industry council will undertake to make an analysis of private sector job opportunities, including estimates by occupation, industry, and location;

"(4) the private industry council has provided a copy of its proposed plan for activities under this title to the prime sponsor

planning council for its review and comments and the recommendations of the prime sponsor planning council were satisfactorily considered prior to the submission of the proposed plan to the Secretary;

"(5) the proposed plan for activities under this title has been made available to appropriate labor organizations, community-based organizations and educational agencies for their comments prior to submission to the Secretary; and

"(6) the prime sponsor and the private industry council have both agreed to the plan submitted to the Secretary and have provided assurances that no activity will be funded which does not have the approval of both the prime sponsor and the private industry council.

"(b) The Secretary shall establish appropriate procedures to assure that the Department of Labor will review at the national level any proposal to make payments to private for-profit employers for any activities which are not covered by regulations under section 121 (l) or by regulations under other provisions of this Act, and a specific waiver by the Secretary shall be required to make payments for any such activities.

"PRIVATE INDUSTRY COUNCILS

"SEC. 704. (a)(1) Any prime sponsor receiving financial assistance under this title shall establish a private industry council. The prime sponsor shall appoint members from industry and the business community (including small business and minority business enterprises), organized labor, community-based organizations, and educational agencies and institutions to serve on such council. Other members of the private industry council may be appointed by the prime sponsor from representatives of persons eligible to participate in activities under this title. In no event shall representatives of industry and business have less than a majority on the council, and, whenever possible, at least half of such industry and business representatives shall be representatives of small business. The private industry council may consist of members of existing or newly formed organizations and members of the prime sponsor planning council. Such council may be established to cover two or more prime sponsor areas pursuant to arrangements between the prime sponsors for such areas and the council. 29 USC 984.

"(2) For purposes of this subsection, the term 'small business' means any private, for-profit enterprise employing 500 or fewer employees. "Small business".

"(b) The chairman of the private industry council (or the designee of the chairman) shall serve as an ex officio, nonvoting member of the prime sponsor planning council, and the chairman of the prime sponsor planning council (or the designee of the chairman) shall serve as an ex officio, nonvoting member of the private industry council.

"(c) Such council shall participate with the prime sponsor in the development and implementation of programs under this title, and shall consult with the prime sponsor with respect to other programs under this Act. In carrying out its responsibilities, such council shall utilize, to the extent appropriate, community-based organizations, labor organizations, educational agencies and institutions, and economic development programs.

"(d) The Secretary shall not, by regulation or otherwise, require that any prime sponsor, in establishing such council, give a presumptive role to any particular organization.

"PROGRAM ACTIVITIES

29 USC 985.

"SEC. 705. (a) Prime sponsors receiving financial assistance under this title shall, consistent with section 702(b), carry out private sector initiatives to demonstrate the purposes of this title. Such activities shall augment private sector-related activities under title II, including arrangements for on-the-job training with private employers, and may include—

Ante, p. 1950.

"(1) coordinating programs of jobs and training and education enabling individuals to work for a private employer while attending an education or training program;

"(2) developing a small business intern program to provide a practical training enabling youths and other individuals to work in small business firms to acquire first-hand knowledge and management experience about small business;

"(3) developing relationships between employment and training programs, educational institutions, and the private sector;

"(4) developing useful methods for collecting information about Federal Government procurement contracts with private employers, new and planned publicly supported projects such as public works, economic development and community development programs, transportation revitalization, alternative energy technology development, demonstration, and utilization projects, energy conservation projects, and rehabilitation of low income housing as part of a community revitalization or stabilization effort, which provide work through private sector contractors;

"(5) conducting innovative cooperative education programs for youths in secondary and postsecondary schools designed to coordinate educational programs with work in the private sector;

"(6) developing and marketing model contracts designed to reduce the administrative burden on the employer and model contracts to meet the needs of specific occupations and industries;

"(7) coordinating programs under this title with other job development, placement, and employment and training activities carried out by public and private agencies;

"(8) providing on-the-job training subsidies on a declining ratio to wages over the period of training;

"(9) providing followup services with employees placed in private employment and employers who hire recipients of services under this Act;

"(10) encouraging employers to develop job skill requirement forecasts and to coordinate such forecasts with prime sponsors;

"(11) using direct contracts for training and employment programs with private for profit and private nonprofit organizations;

"(12) developing apprenticeship or comparable high-skill training programs for workers regardless of age in occupations where such programs do not exist presently in the area;

"(13) increasing opportunities for upgrading from entry level jobs by providing counseling and other services to employees and employers beyond initial training periods;

"(14) providing technical assistance to private employers to reduce the administrative burden of employment and training programs; and

"(15) disseminating information to private employers so that they may more fully utilize programs under this Act.

Procedures and regulations.

"(b)(1) The Secretary shall establish such procedures and regulations as may be necessary to assure that the total amount of administrative costs incurred by all prime sponsors in carrying out programs

under this title does not exceed 20 percent of the total cost of carrying out all such programs.

"(2) The Secretary by regulation shall provide for necessary and reasonable limitations on administrative costs incurred by prime sponsors, which shall be designed to assure the effective operation of programs carried out by prime sponsors under this title, taking into account differing conditions in urban and rural areas. The administrative costs of any prime sponsor carrying out a program under this title may not exceed the limitations established by the Secretary under this paragraph, unless such excess costs are justified and documented in the approval of the prime sponsor's program. Administrative cost limitations.

"REPORT

"SEC. 706. (a) The Secretary shall provide to the Congress by March 1, 1980, an evaluation of the activities conducted under this title accompanied by recommendations for legislation. 29 USC 986.

"(b) The Secretary shall disseminate among prime sponsors information concerning successful programs under this title.

"TITLE VIII—YOUNG ADULT CONSERVATION CORPS

"STATEMENT OF PURPOSE

"SEC. 801. It is the purpose of this title to establish a Young Adult Conservation Corps to provide employment and other benefits to youths who would not otherwise be currently productively employed, through a period of service during which they engage in useful conservation work and assist in completing other projects of a public nature on Federal and non-Federal public lands and waters. 29 USC 991.

"ESTABLISHMENT OF YOUNG ADULT CONSERVATION CORPS

"SEC. 802. To carry out the purposes of this title, there is hereby established a Young Adult Conservation Corps to carry out projects on Federal or non-Federal public lands or waters. The Secretary shall administer this title through interagency agreements with the Secretaries of the Interior and Agriculture. Pursuant to such interagency agreements, the Secretaries of the Interior and Agriculture shall have responsibility for the management of each Corps center, including determination of Corps members' work assignments, selection, training, discipline, and termination, and shall be responsible for an effective program at each center. 29 USC 992. Administration.

"SELECTION OF ENROLLEES

"SEC. 803. (a) Enrollees of the Corps shall be selected by the Secretaries of the Interior and Agriculture only from candidates referred by the Secretary. 29 USC 993.

"(b)(1) Membership in the Corps shall be limited to individuals who, at the time of enrollment— Membership qualifications.

"(A) are unemployed;

"(B) are between the ages 16 to 23 inclusive;

"(C) are citizens or lawfully permanent residents of the United States or lawfully admitted refugees or parolees; and

"(D) are capable, as determined by the Secretary, of carrying out the work of the Corps for the estimated duration of each such individual's enrollment.

"(2) Individuals who, at the time of enrollment, have attained age 16 but not attained age 19 and who have left school shall not be admitted to membership in the Corps unless they give adequate assurance, under criteria established by the Secretary, that they did not leave school for the purpose of enrolling in the Corps and obtaining employment under this title.

"(c) The Secretary shall make arrangements for obtaining referral of candidates for the Corps from the public employment service, public assistance agencies, prime sponsors, sponsors of Native American programs described in section 302, sponsors of migrant and seasonal farmworker programs under section 303, the Secretaries of the Interior and Agriculture, and such other agencies and organizations as the Secretary may deem appropriate. The Secretary of Labor shall undertake to assure that an equitable proportion of candidates shall be referred from each State.

Ante, p. 1962.
Ante, p. 1964.

"(d) In referring candidates from each State in accordance with subsection (c), preference shall be given to youths residing in rural and urban areas within each such State having substantial unemployment including areas of substantial unemployment as defined in section 3.

"(e)(1) No individual may be enrolled in the Corps for a total period of more than 12 months, with such maximum period consisting of either 1 continuous 12-month period, or 3 or less periods which total 12 months, except that an individual who attains the maximum permissible enrollment age may continue in the Corps up to the 12-month limit provided in this subsection only as long as the individual's enrollment is continuous after having attained the maximum age.

"(2) No individual shall be enrolled in the Corps if solely for purposes of membership for the normal period between school terms.

"ACTIVITIES OF THE CORPS

29 USC 994.

"SEC. 804. (a) Consistent with each interagency agreement, the Secretary of the Interior or Agriculture, as appropriate, in consultation with the Secretary of Labor shall determine the location of each residential and nonresidential Corps center. The Corps shall perform work projects in such fields as—

"(1) tree nursery operations, planting, pruning, thinning, and other silviculture measures;

"(2) wildlife habitat improvements and preservation;

"(3) range management improvements;

"(4) recreation development, rehabilitation, and maintenance;

"(5) fish habitat and culture measures;

"(6) forest insect and disease prevention and control;

"(7) road and trail maintenance and improvements;

"(8) general sanitation, cleanup, and maintenance;

"(9) erosion control and flood damage;

"(10) drought damage measures;

"(11) other natural disaster damage measures; and

"(12) integrated pest management, including activities to provide the producers of agricultural commodities with information about the appropriate amount of chemical pesticides which, when used in conjunction with nonchemical methods of pest control (A) will provide protection against a wide variety of pests, (B) will preserve to the greatest extent possible the quality of the environment, and (C) will be cost effective.

"(b)(1) The Secretary of the Interior and the Secretary of Agriculture shall undertake to assure that projects on which work is performed

under this title are consistent with the Forest and Rangeland Renewal Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, and such other standards relating to such projects as each Secretary shall prescribe consistent with other provisions of Federal law (including the Fish and Wildlife Conservation Act; 16 U.S.C. 601). 16 USC 1600 note. 16 USC 1600 note.

"(2) The Secretary of the Interior and the Secretary of Agriculture shall place individuals employed as Corps members into jobs which will diminish the backlog of relatively labor intensive projects which would otherwise be carried out if adequate funding were made available. Job placement.

"(c) To the maximum extent practicable, projects shall—

"(1) be labor intensive;

"(2) be projects for which work plans could be readily developed;

"(3) be able to be initiated promptly;

"(4) be productive;

"(5) be likely to have a lasting impact both as to the work performed and the benefit to the youths participating;

"(6) provide work experience to participants in skill areas required for the projects;

"(7) if a residential program, be located, to the maximum extent consistent with the objectives of this title in areas where existing residential facilities for the Corps members are available; and

"(8) be similar to activities of persons employed in seasonal and part-time employment in agencies such as the National Park Service, United States Fish and Wildlife Service, Bureau of Reclamation, Bureau of Land Management, Bureau of Indian Affairs, Forest Service, Bureau of Outdoor Recreation, and Soil Conservation Service.

"(d)(1) The Secretary of the Interior and the Secretary of Agriculture, pursuant to agreements with the Secretary, may provide for such transportation, lodging, subsistence, medical treatment, and other services, supplies, equipment, and facilities as they may deem appropriate to carry out the purposes of this title. To minimize transportation costs, Corps members shall be assigned to projects as near to their homes as practicable.

"(2) Whenever economically feasible, existing but unoccupied or underutilized Federal, State, and local government facilities and equipment of all types shall, where appropriate, be utilized for the purposes of the Corps centers with the approval of the Federal agency, State, or local government involved.

"(e) The Secretary, in carrying out the purpose of this title shall cooperate with the Secretary of Health, Education, and Welfare to make suitable arrangements whereby academic credit may be awarded by educational institutions and agencies for competencies derived from work experience obtained through programs established under this title. Academic credits.

"CONDITIONS APPLICABLE TO CORPS ENROLLEES

"SEC. 805. (a) Except as otherwise specifically provided in this subsection, Corps members shall not be deemed Federal employees and shall not be subject to the provisions of law relating to Federal employment including those regarding hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits: 29 USC 995.

"(1) For purposes of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) and title II of the Social Security Act (42 U.S.C. 401 et seq.), Corps members shall be deemed employees of the United States and any service performed by a person as a Corps member shall be deemed to be performed in the employ of the United States.

Compensation for work injuries.
5 USC 8101.

"(2) For purposes of subchapter 1 of chapter 81 of title 5 of the United States Code, relating to compensation to Federal employees for work injuries, Corps members shall be deemed civil employees of the United States within the meaning of the term 'employee' as defined in section 8101 of title 5, United States Code, and provisions of that subchapter shall apply, except that the term 'performance of duty' shall not include any act of a Corps member while absent from the member's assigned post of duty, except while participating in an activity (including an activity while on pass or during travel to or from such post of duty) authorized by or under the direction and supervision of the Secretary.

Tort claims procedures.
28 USC 2671.

"(3) For purposes of chapter 171 of title 18, United States Code, relating to tort claims procedure, Corps members shall be deemed civil employees of the United States within the meaning of the term 'employee of the Government' as defined in section 2671 of title 28, United States Code, and provisions of that chapter shall apply.

"(4) For purposes of section 5911 of title 5, United States Code, relating to allowances for quarters, Corps members shall be deemed civil employees of the United States within the meaning of the term 'employee' as defined in that section, and provisions of that section shall apply.

Work standards, establishment.

"(b) The Secretary shall, in consultation with the Secretaries of the Interior and Agriculture, establish standards for—

"(1) rates of pay which shall be at least at the wage required by section 6(a)(1) of the Fair Labor Standards Act of 1938;
29 USC 206.

"(2) reasonable hours and conditions of employment; and

"(3) safe and healthful working and living conditions.

"STATE AND LOCAL PROGRAMS

Grants.
29 USC 996.

SEC. 806. (a) Consistent with interagency agreements with the Secretary, the Secretaries of the Interior and Agriculture may make grants or enter into other agreements—

"(1) after consultation with the Governor, with any State agency or institution;

"(2) after consultation with appropriate State and local officials, with (A) any unit of general local government, or (B)(i) any public agency or organization, specifically including the Federal Extension Service and the cooperative extension service of any State with respect to projects described in section 804(a)(12), or (ii) any private nonprofit agency or organization which has been in existence for at least 2 years;

for the conduct under this title of any State or local component of the Corps or of any project on non-Federal lands or waters or any project involving work on both non-Federal and Federal lands and waters.

"(b) No grant or other agreement may be entered into under this section unless an application is submitted to the Secretary of the Interior or the Secretary of Agriculture, as the case may be, at such times as each such Secretary may prescribe. Each grant application

shall contain assurances that individuals employed under the project for which the application is submitted—

"(1) meet the qualifications set forth in section 803(b);

"(2) shall be employed in accordance with section 805(b); and

"(3) shall be employed in activities that—

"(A) will result in an increase in employment opportunities over those opportunities which would otherwise be available,

"(B) will not result in the displacement of currently employed workers (including partial displacement such as reduction in the hours of nonovertime work or wages or employment benefits),

"(C) will not impair existing contracts for services or result in the substitution of Federal for other funds in connection with work that would otherwise be performed,

"(D) will not substitute jobs assisted under this title for existing federally assisted jobs, and

"(E) will not result in the hiring of any youth when any other person is on layoff from the same or any substantially equivalent job.

"(c) Thirty percent of the sums appropriated to carry out this title for any fiscal year shall be made available for grants under this section for such fiscal year and shall be made on the basis of total youth population within each State.

"SECRETARIAL REPORTS

"SEC. 807. The Secretary, the Secretary of the Interior, and the Secretary of Agriculture shall jointly prepare and submit to the President and to the Congress a report detailing the activities carried out under this title for each fiscal year. Such report shall be submitted not later than February 1 of each year following the date of enactment of this Act. The Secretaries shall include in such report such recommendations as they deem appropriate.

Report to President and Congress.
29 USC 997.

"ANTIDISCRIMINATION

"SEC. 808. The Corps shall be open to youth from all parts of the Nation of both sexes and youth of all social, economic, and racial classifications.

29 USC 998.

"TRANSFER OF FUNDS

"SEC. 809. Funds necessary to carry out their responsibilities under this title shall be made available to the Secretaries of the Interior and Agriculture in accord with interagency agreements between the Secretary of Labor and the Secretaries of the Interior and Agriculture.".

29 USC 999.

CRIMINAL PROVISIONS

SEC. 3. (a) Section 665 of title 18, United States Code, is amended to read as follows:

"THEFT OR EMBEZZLEMENT FROM EMPLOYMENT AND TRAINING FUNDS: IMPROPER INDUCEMENT: OBSTRUCTION OF INVESTIGATIONS

"SEC. 665. (a) Whoever, being an officer, director, agent, or employee of, or connected in any capacity with any agency receiving financial assistance under the Comprehensive Employment and Training Act knowingly hires an ineligible individual or individuals, embezzles, willfully misapplies, steals, or obtains by fraud any of the moneys,

funds, assets, or property which are the subject of a grant or contract of assistance pursuant to such Act shall be fined not more than $10,000 or imprisoned for not more than 2 years, or both; but if the amount so embezzled, misapplied, stolen, or obtained by fraud does not exceed $100, such person shall be fined not more than $1,000 or imprisoned not more than 1 year, or both.

"(b) Whoever, by threat or procuring dismissal of any person from employment or of refusal to employ or refusal to renew a contract of employment in connection with a grant or contract of assistance under the Comprehensive Employment and Training Act induces any persons to give up any money or thing of any value to any person (including such grantee agency) shall be fined not more than $1,000, or imprisoned not more than 1 year, or both.

29 USC 801 note.

"(c) Any person whoever willfully obstructs or impedes or endeavors to obstruct or impede, an investigation or inquiry under the Comprehensive Employment and Training Act, or the regulations thereunder, shall be punished by a fine of not more than $5,000, or by imprisonment for not more than 1 year, or by both such fine and imprisonment.".

(b) The analysis of chapter 31 of title 18, United States Code, is amended by striking out the item relating to section 665 and inserting in lieu thereof the following new item:

"665. Theft or embezzlement from employment and training funds; improper inducement; obstruction of investigations.".

TRANSITIONAL PROVISION

Financial assistance.
29 USC 801 note.

SEC. 4. (a)(1) The Secretary of Labor (hereinafter in this section referred to as the "Secretary") may provide financial assistance, in accordance with the provisions of this section, in the same manner that such assistance was provided under the Comprehensive Employment and Training Act of 1973 (as in effect on the day before the date of the enactment of this Act), to the extent the Secretary considers necessary to provide for the orderly transition of employment and training programs carried out under such Act and to provide continued financial assistance for such programs.

(2) The authority of the Secretary established in paragraph (1) shall expire at the end of March 31, 1979.

(b) The Secretary shall take such action as may be necessary to provide, as soon as possible after the date of the enactment of this Act, for the implementation of provisions of the Comprehensive Employment and Training Act relating to the prohibition of fraud and other abuses in connection with the administration of programs under such Act.

(c)(1) The provisions of the Comprehensive Employment and Training Act relating to supplementation, maximum Federal wage rates, and eligibility shall apply to the provision of financial assistance by the Secretary after the end of the 90-day period beginning on the date of the enactment of this Act.

(2) The eligibility conditions established in section 608 of the Comprehensive Employment and Training Act of 1973 (as in effect on the day before the date of the enactment of this Act) shall apply, during the period specified in paragraph (1), with respect to any individual hired for public service employment on or after such date of enactment.

Waiver of Federal laws or regulations.

(d) The Secretary shall have authority to waive the application of any Federal law, or any regulation or other requirement prescribed or established under any Federal law, which establishes time period limitations or other requirements which relate to notice, hearings, or

similar matters which otherwise would be applicable to the manner in which regulations prescribed by the Secretary may take effect, to the extent the Secretary deems such waiver necessary to carry out the provisions of subsection (b) and subsection (c).

(e) If the Secretary determines that he cannot carry out the provisions of subsection (b) and subsection (c), other than those provisions which require any amendment to comprehensive employment and training plans, at the end of the 90-day period specified in subsection (c)(1), the Secretary shall furnish notice of such determination to the Committee on Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives. Such notice shall include the reasons for such determination. Notice to congressional committees.

(f) The National Commission for Manpower Policy, as in existence on the day before the date of the enactment of this Act, shall continue in existence until the members of the National Commission for Employment Policy are appointed in accordance with the provisions of title V of the Comprehensive Employment and Training Act.

REPORTS

SEC. 5. (a) Not later than February 1, 1979, the Secretary shall, after consultation with appropriate State and local officials and other interested parties, submit to the Congress a report containing recommendations and suggested legislation with respect to any necessary improvements in the Wagner-Peyser Act (29 U.S.C. 49), including such legislation as may be necessary to assure coordination between such Act and the Comprehensive Employment and Training Act. 29 USC 829 note. 29 USC 801 note.

(b) The Secretary shall develop methods to ascertain, and shall ascertain annually, energy development and conservation employment impact data by type and scale of energy technologies used. The Secretary shall present the best available data to the Secretary of Energy, the Secretary of Housing and Urban Development, and the Director of the Office of Management and Budget as part of the budgetary process and to the appropriate Committees of Congress annually. 29 USC 829a.

(c)(1) On or before March 1, 1979, the Joint Economic Committee shall report to Congress on the ability of targeted structural employment and training programs to achieve and sustain (A) a decrease in unemployment rates among those segments of the labor force having special difficulties in obtaining employment and (B) a decrease in the national unemployment rate without exacerbating inflation and shall make such recommendations, as the Committee deems appropriate, for improving the ability of targeted structural employment and training programs to achieve such goals. The Joint Economic Committee shall, to the extent feasible, consult with appropriate Federal agencies, the Human Resources Committee of the Senate and the Committee on Education and Labor of the House of Representatives, the Congressional Budget Office, the National Commission for Employment and Training Policy, the Board of Governors of the Federal Reserve, and other appropriate individuals, both public and private, and obtain their assistance in preparing the report. 29 USC 829 note.

(2) The Joint Economic Committee, as part of the report to the Congress required under paragraph (1), is requested to include, with recommendations, if any, an analysis of the subject of incentive grants, or other assistance permissible under this Act, to private employers in reducing unemployment rates among individuals eligible for assistance under this Act, through national priority projects, including, but not limited to better housing, health care, agriculture, and transportation.

29 USC 829 note.

(d) The Secretary shall develop information relating to the number of individuals who have attained 16 years of age and who are members of a family with an income which is equal to or less than 70 percent, 85 percent, and 100 percent of the lower living standard income level for the jurisdiction of each prime sponsor. The Secretary shall prepare and submit as part of the annual report submitted on March 1, 1980, under section 127(a) to the President and to the Congress a report on the information required by this subsection.

ASSISTANCE TO PLANT, AREA, AND INDUSTRYWIDE LABOR MANAGEMENT COMMITTEES

Labor Management Cooperation Act of 1978.
29 USC 175a note.

SEC. 6. (a) This section may be cited as the "Labor Management Cooperation Act of 1978".

(b) It is the purpose of this section—

(1) to improve communication between representatives of labor and management;

(2) to provide workers and employers with opportunities to study and explore new and innovative joint approaches to achieving organizational effectiveness;

(3) to assist workers and employers in solving problems of mutual concern not susceptible to resolution within the collective bargaining process;

(4) to study and explore ways of eliminating potential problems which reduce the competitiveness and inhibit the economic development of the plant, area or industry;

(5) to enhance the involvement of workers in making decisions that affect their working lives;

(6) to expand and improve working relationships between workers and managers; and

(7) to encourage free collective bargaining by establishing continuing mechanisms for communication between employers and their employees through Federal assistance to the formation and operation of labor management committees.

29 USC 173.

(c)(1) Section 203 of the Labor-Management Relations Act, 1947, is amended by adding at the end thereof the following new subsection:

"(e) The Service is authorized and directed to encourage and support the establishment and operation of joint labor management activities conducted by plant, area, and industrywide committees designed to improve labor management relationships, job security and organizational effectiveness, in accordance with the provisions of section 205A.".

(2) Title II of the Labor-Management Relations Act, 1947, is amended by adding after section 205 the following new section:

29 USC 175a.

"SEC. 205A. (a)(1) The Service is authorized and directed to provide assistance in the establishment and operation of plant, area and industrywide labor management committees which—

"(A) have been organized jointly by employers and labor organizations representing employees in that plant, area, or industry; and

"(B) are established for the purpose of improving labor management relationships, job security, organizational effectiveness, enhancing economic development or involving workers in decisions affecting their jobs including improving communication with respect to subjects of mutual interest and concern.

Grants and contracts.

"(2) The Service is authorized and directed to enter into contracts and to make grants, where necessary or appropriate, to fulfill its responsibilities under this section.

"(b)(1) No grant may be made, no contract may be entered into and no other assistance may be provided under the provisions of this section to a plant labor management committee unless the employees in that plant are represented by a labor organization and there is in effect at that plant a collective bargaining agreement.

"(2) No grant may be made, no contract may be entered into and no other assistance may be provided under the provisions of this section to an area or industrywide labor management committee unless its participants include any labor organizations certified or recognized as the representative of the employees of an employer participating in such committee. Nothing in this clause shall prohibit participation in an area or industrywide committee by an employer whose employees are not represented by a labor organization.

"(3) No grant may be made under the provisions of this section to any labor management committee which the Service finds to have as one of its purposes the discouragement of the exercise of rights contained in section 7 of the National Labor Relations Act (29 U.S.C. 157), or the interference with collective bargaining in any plant, or industry.

"(c) The Service shall carry out the provisions of this section through an office established for that purpose.

"(d) There are authorized to be appropriated to carry out the provisions of this section $10,000,000 for the fiscal year 1979, and such sums as may be necessary thereafter.". Appropriation authorization.

(d) Section 302(c) of the Labor Management Relations Act, 1947, is amended by striking the word "or" after the semicolon at the end of subparagraph (7) thereof and by inserting the following before the period at the end thereof: "; or (9) with respect to money or other things of value paid by an employer to a plant, area or industrywide labor management committee established for one or more of the purposes set forth in section 5(b) of the Labor Management Cooperation Act of 1978". 29 USC 186. *Ante*, p. 2020.

(e) Nothing in this section or the amendments made by this section shall affect the terms and conditions of any collective bargaining agreement whether in effect prior to or entered into after the date of enactment of this section. 29 USC 175a note.

REPEALER

SEC. 7. Section 104 of the Emergency Jobs and Unemployment Assistance Act of 1974 (Public Law 93-567) is hereby repealed. 38 USC 2002 note.

Approved October 27, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-1124 accompanying H.R. 12452 (Comm. on Education and Labor) and No. 95-1765 (Comm. of Conference).

SENATE REPORTS: No. 95-891 (Comm. on Human Resources) and No. 95-1325 (Comm. of Conference).

CONGRESSIONAL RECORD, Vol. 124 (1978):

Aug. 9, H.R. 12452 considered in House.

Aug. 22, 25, S. 2570 considered and passed Senate.

Sept. 22, H.R. 12452 considered and passed House; passage vacated and S. 2570, amended, passed in lieu.

Oct. 13, Senate agreed to conference report.

Oct. 15, House agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 43:

Oct 27, Presidential statement.

Public Law 95-525
95th Congress

An Act

Oct. 27, 1978
[H.R. 7296]

To designate the new Terminal Radar Approach Control Federal Building in Hempstead, Long Island, New York, as the "Charles A. Lindbergh Federal Building".

Charles A. Lindbergh Federal Building, N.Y. Designation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the new Terminal Radar Approach Control Federal Building on Steward Avenue, Hempstead, Long Island, New York, shall hereafter be known as the Charles A. Lindbergh Federal Building. Any reference in a law, map, regulation, document, record, or other paper of the United States to such building shall be held to be a reference to the Charles A. Lindbergh Federal Building.

Approved October 27, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1465 (Comm. on Public Works and Transportation).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 18, considered and passed House.
Oct. 15, considered and passed Senate.

Public Law 95-526
95th Congress

An Act

To amend the District of Columbia Self-Government and Governmental Reorganization Act to repeal the authority of the President to sustain vetoes by the Mayor of the District of Columbia of acts passed by the Council of the District of Columbia and repassed by two-thirds of the Council, to change the period during which acts of the Council of the District of Columbia are subject to congressional review, and for other purposes.

Oct. 27, 1978
[H.R. 12116]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the District of Columbia Self-Government and Governmental Reorganization Act is amended as follows:

District of Columbia Self-Government and Governmental Reorganization Act, amendment.
D.C. Code note prec. title 1.
D.C. Code 1-144.

(1) Subsection (e) of section 404 is amended—

(A) in the fourth sentence, by striking out the period and inserting in lieu thereof "unless the Council by a recess of 10 days or more prevents its return, in which case it shall not become law."; and

(B) by striking out "be transmitted by the Chairman" in the fifth sentence and all that follows in such subsection and inserting in lieu thereof "become law subject to the provisions of section 602(c).".

D.C. Code 1-147.

(2) Section 602(c)(1) is amended—

(A) in the first sentence—

(i) by striking out "(and with respect to which the President has not sustained the Mayor's veto)";

(ii) by striking out "and every" and inserting in lieu thereof "each"; and

(iii) by striking out the period and inserting in lieu thereof ", and each initiated act and act subject to referendum which has been ratified by a majority of the registered qualified electors voting on the initiative or referendum."; and

(B) in the second sentence, by striking out "either House is not in session" and inserting in lieu thereof "neither House is in session because of an adjournment sine die, a recess of more than 3 days, or an adjournment of more than 3 days".

D.C. Code 1-141.

(3) Amendment No. 1 (relating to initiative and referendum) to title IV (the District Charter) is amended—

(A) by striking out sections 5 and 6 and inserting in lieu thereof the following:

"SEC. 5. If a majority of the registered qualified electors voting in a referendum approve an act or adopt legislation by initiative, then the adopted initiative or the act approved by referendum shall be an act of the Council upon the certification of the vote on such initiative or act by the District of Columbia Board of Elections and Ethics, and such act shall become law subject to the provisions of section 602(c).";

Supra.

and

(B) by redesignating sections 7 and 8 as sections 6 and 7, respectively.

D.C. Code 1-146.

(4) Section 412(a) is amended by inserting "(other than an act to which section 446 applies)" in the third sentence after "Each proposed act".

Effective dates.

SEC. 2. (a) Except as provided in subsection (b), the amendments made by this Act shall take effect on the date of the enactment of this Act.

(b)(1) The amendment made by subparagraph (A) of paragraph (1) of the first section of this Act shall apply with respect to acts of the Council of the District of Columbia presented to the Mayor of the District of Columbia after the date of the enactment of this Act.

(2) The amendment made by subparagraph (B) of paragraph (2) of the first section of this Act shall apply with respect to acts of the Council of the District of Columbia transmitted by the Chairman of the Council to the Speaker of the House of Representatives and the President of the Senate under section 602(c) of the District of Columbia Self-Government and Governmental Reorganization Act after the date of the enactment of this Act.

Ante, p. 2023.

Approved October 27, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1104 (Comm. on the District of Columbia).
SENATE REPORT No. 95-1291 (Comm. on Governmental Affairs).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 12, considered and passed House.
Oct. 12, considered and passed Senate.

Public Law 95-527
95th Congress

An Act

To designate a certain Federal building in Champaign, Illinois, the "William L. Springer Building".

Oct. 27, 1978
[H.R. 7305]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Federal building located at 202 West Church Street in Champaign, Illinois, is hereby designated as the "William L. Springer Building". Any reference in any law, regulation, document, record, map, or other paper of the United States to such building shall be considered to be a reference to the William L. Springer Building.

William L. Springer Building, Ill. Designation.

(b) This Act shall become effective on April 12, 1979.

Approved October 27, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1466 (Comm. on Public Works and Transportation).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 18, considered and passed House.
Oct. 13, considered and passed Senate, amended.
Oct. 14, House concurred in Senate amendments.

Public Law 95-528
95th Congress

An Act

Oct. 27, 1978
[H.R. 13808]

To designate the "Omar Burleson Federal Building".

Omar Burleson Federal Building, Tex. Designation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States post office and courthouse located at 341 Pine Street in Abilene, Texas, is hereby designated as the "Omar Burleson Federal Building". Any reference in any law, regulation, document, record, map, or other paper of the United States to such building shall be considered to be a reference to the Omar Burleson Federal Building.

Effective date.

SEC. 2. This Act shall take effect on January 4, 1979.

Approved October 27, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1514 (Comm. on Public Works and Transportation).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 18, considered and passed House.
Oct. 15, considered and passed Senate.

Public Law 95-529
95th Congress

An Act

To designate the "George Mahon Federal Building".

Oct. 27, 1978
[H.R. 13809]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal building, United States post office and courthouse located in Midland, Texas, is hereby designated as the "George Mahon Federal Building". Any reference in any law, regulation, document, record, map, or other paper of the United States to such building shall be considered to be a reference to the George Mahon Federal Building.

George Mahon Federal Building, Tex.
Designation.

SEC. 2. This Act shall take effect on January 4, 1979.

Effective date.

Approved October 27, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1515 (Comm. on Public Works and Transportation).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 18, considered and passed House.
Oct. 15, considered and passed Senate.

Public Law 95-530
95th Congress

An Act

Oct. 27, 1978
[H.R. 13892]

To amend title 28 of the United States Code to provide that the requirement that each United States attorney and United States marshal reside in the district for which he is appointed shall not apply to an individual appointed to such a position for the Northern Mariana Islands if such individual is at the same time serving in the same capacity in another district.

U.S. attorneys and marshals, residence requirement. Exemption.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 545(a) of title 28, United States Code, is amended by adding at the end thereof the following new sentence: "The provisions of this subsection shall not apply to any United States attorney or assistant United States attorney appointed for the Northern Mariana Islands who at the same time is serving in the same capacity in another district.".

SEC. 2. Section 561(c) of title 28, United States Code, is amended by adding at the end thereof the following new sentence: "The preceding sentence shall not apply to any United States marshal appointed for the Northern Mariana Islands who at the same time is serving in the same capacity in another district.".

Approved October 27, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1650 (Comm. on the Judiciary).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 10, considered and passed House.
Oct. 13, considered and passed Senate.

Public Law 95-531
95th Congress

An Act

To designate a certain Federal building in Bloomington, Illinois, the "Leslie C. Arends Building".

Oct. 27, 1978
[H.R. 14223]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal building located at 1511 East Empire Street in Bloomington, Illinois, is hereby designated as the "Leslie C. Arends Building". Any reference in any law, regulation, document, record, map, or other paper of the United States to such building shall be considered to be a reference to the Leslie C. Arends Building.

Leslie C. Arends Building, Ill. Designation.

Approved October 27, 1978.

LEGISLATIVE HISTORY:

CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 14, considered and passed House.
Oct. 15, considered and passed Senate.

Public Law 95-532
95th Congress

An Act

Oct. 27, 1978
[H.R. 14295]

To designate the "Paul G. Rogers Federal Building".

Paul G. Rogers Federal Building, Fla. Designation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal building located at 700 Clematis Street, West Palm Beach, Florida, is hereby designated as the "Paul G. Rogers Federal Building". Any reference in any law, regulation, document, record, map, or other paper of the United States to such building shall be considered to be a reference to the Paul G. Rogers Federal Building.

Effective date.

SEC. 2. This Act shall take effect on January 4, 1979.

Approved October 27, 1978.

LEGISLATIVE HISTORY:

CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 14, considered and passed House.
Oct. 15, considered and passed Senate.

Public Law 95-533
95th Congress

Joint Resolution

To consent to an amendment of the constitution of the State of New Mexico to provide a method for executing leases and other contracts for the development and operation of geothermal steam and waters on lands granted or confirmed to such State.

Oct. 27, 1978
[H.J. Res. 747]

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That consent is given to the State of New Mexico to adopt the amendment to the constitution of such State proposed by the legislature in H.J.R. No. 17, section 1, New Mexico Laws 1618 (1967), and approved by the qualified electors of such State at the special election of November 7, 1967, and to amend article XXIV, section 1, of such constitution to read as follows:

New Mexico. Constitution, amendment.

"Leases and other contracts, reserving a royalty to the state, for the development and production of any and all minerals or for the development and operation of geothermal steam and waters on lands granted or confirmed to the state of New Mexico by the act of congress of June 20, 1910, entitled "An Act to enable the people of New Mexico to form a constitution and state government and be admitted into the union on an equal footing with the original states", may be made under such provisions relating to the necessity or requirement for or the mode and manner of appraisement, advertisement and competitive bidding, and containing such terms and provisions, as may be provided by act of the legislature; the rentals, royalties and other proceeds therefrom to be applied and conserved in accordance with the provisions of said act of congress for the support or in aid of the common schools, or for the attainment of the respective purposes for which the several grants were made.".

36 Stat. 557.

SEC. 2. Consent is given to the State of New Mexico to enact laws and establish regulations necessary to carry out the provisions of the amendment to the constitution of such State described in the first section of this Act.

SEC. 3. Nothing in this Act shall be interpreted to limit, modify, supersede, amend, or otherwise affect any provision of Federal law other than section 10 of the Act of June 20, 1910, as amended (36 Stat. 557) or indicate that geothermal steam and associated geothermal resources are not minerals.

Approved October 27, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1630 (Comm. on Interior and Insular Affairs).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 10, considered and passed House.
Oct. 13, considered and passed Senate.

Public Law 95-534
95th Congress

Joint Resolution

Oct. 27, 1978
[H.J. Res. 816]

To extend the authority of the Federal Reserve banks to buy and sell certain obligations.

Federal Reserve banks.
Authority extension.
12 USC 355.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 14(b) of the Federal Reserve Act is amended by striking out "May 1, 1978" and inserting in lieu thereof "May 1, 1979", and by striking out "April 30, 1978" and inserting in lieu thereof "April 30, 1979".

Approved October 27, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1088 (Comm. on Banking, Finance, and Urban Affairs).
CONGRESSIONAL RECORD, Vol. 124 (1978):
May 1, considered and passed House.
Oct. 15, considered and passed Senate.

Public Law 95-535
95th Congress

An Act

To establish fees and allow per diem and mileage expenses for witnesses before United States courts.

Oct. 27, 1978
[S. 2049]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1821 of title 28, United States Code, is amended to read as follows:

U.S. Courts. Fees, per diem and mileage expenses for witnesses.

"§ 1821. Per diem and mileage generally; subsistence

"(a)(1) Except as otherwise provided by law, a witness in attendance at any court of the United States, or before a United States Magistrate, or before any person authorized to take his deposition pursuant to any rule or order of a court of the United States, shall be paid the fees and allowances provided by this section.

"(2) As used in this section, the term 'court of the United States' includes, in addition to the courts listed in section 451 of this title, any court created by Act of Congress in a territory which is invested with any jurisdiction of a district court of the United States.

"(b) A witness shall be paid an attendance fee of $30 per day for each day's attendance. A witness shall also be paid the attendance fee for the time necessarily occupied in going to and returning from the place of attendance at the beginning and end of such attendance or at any time during such attendance.

"(c)(1) A witness who travels by common carrier shall be paid for the actual expenses of travel on the basis of the means of transportation reasonably utilized and the distance necessarily traveled to and from such witness's residence by the shortest practical route in going to and returning from the place of attendance. Such a witness shall utilize a common carrier at the most economical rate reasonably available. A receipt or other evidence of actual cost shall be furnished.

"(2) A travel allowance equal to the mileage allowance which the Administrator of General Services has prescribed, pursuant to section 5704 of title 5, for official travel of employees of the Federal Government shall be paid to each witness who travels by privately owned vehicle. Computation of mileage under this paragraph shall be made on the basis of a uniformed table of distances adopted by the Administrator of General Services.

"(3) Toll charges for toll roads, bridges, tunnels, and ferries, taxicab fares between places of lodging and carrier terminals, and parking fees (upon presentation of a valid parking receipt), shall be paid in full to a witness incurring such expenses.

"(4) All normal travel expenses within and outside the judicial district shall be taxable as costs pursuant to section 1920 of this title.

"(d)(1) A subsistence allowance shall be paid to a witness (other than a witness who is incarcerated) when an overnight stay is required at the place of attendance because such place is so far removed from the residence of such witness as to prohibit return thereto from day to day.

39-194 O—80—pt. 2——48 : QL3

"(2) A subsistence allowance for a witness shall be paid in an amount not to exceed the maximum per diem allowance prescribed by the Administrator of General Services, pursuant to section 5702(a) of title 5, for official travel in the area of attendance by employees of the Federal Government.

"(3) A subsistence allowance for a witness attending in an area designated by the Administrator of General Services as a high-cost area shall be paid in an amount not to exceed the maximum actual subsistence allowance prescribed by the Administrator, pursuant to section 5702(c)(B) of title 5, for official travel in such area by employees of the Federal Government.

"(4) When a witness is detained pursuant to section 3149 of title 18 for want of security for his appearance, he shall be entitled for each day of detention when not in attendance at court, in addition to his subsistence, to the daily attendance fee provided by subsection (b) of this section.

"(e) An alien who has been paroled into the United States for prosecution, pursuant to section 212(d)(5) of the Immigration and Nationality Act (8 U.S.C. 1182(d)(5)), or an alien who either has admitted belonging to a class of aliens who are deportable or has been determined pursuant to section 242(b) of such Act (8 U.S.C. 1252(b)) to be deportable, shall be ineligible to receive the fees or allowances provided by this section.".

Effective date. 28 USC 1821 note.

SEC. 2. The amendments made by this Act shall take effect on October 1, 1978, or on the date of enactment, whichever occurs later.

Approved October 27, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1651 (Comm. on the Judiciary).
SENATE REPORT No. 95-756 (Comm. on the Judiciary).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Apr. 27, considered and passed Senate.
Oct. 12, considered and passed House, amended.
Oct. 13, Senate concurred in House amendment.

Public Law 95-536
95th Congress

An Act

To consent to certain amendments to the New Hampshire-Vermont Interstate School Compact, approved by Public Law 91-21.

Oct. 27, 1978
[S. 2403]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of Congress is given to the amendments to the New Hampshire-Vermont Interstate School Compact which have been agreed to by such States and are substantially as follows:

New Hampshire-Vermont Interstate School Compact, amendment. Consent of Congress. Financial assistance, construction.

(1) amend article VII–G to read as follows:

"(G) STATE AID PROGRAMS.—As used in this paragraph the term 'initial aid' shall include New Hampshire and Vermont financial assistance with respect to a capital project, or the means of financing a capital project, which is available in connection with construction costs of a capital project or which is available at the time indebtedness is incurred to finance the project. Without limiting the generality of the foregoing definition, initial aid shall specifically include a New Hampshire state guarantee under RSA 195–B with respect to bonds or notes and Vermont construction aid under chapter 123 of 16 V.S.A. As used in this paragraph the term 'long-term aid' shall include New Hampshire and Vermont financial assistance which is payable periodically in relation to capital costs incurred by an interstate district. Without limiting the generality of the foregoing definition, long-term aid shall specifically include New Hampshire school building aid under RSA 198 and Vermont school building aid under chapter 123 of Title 16 V.S.A. For the purpose of applying for, receiving and expending initial aid and long-term aid an interstate district shall be deemed a native school district by each State, subject to the following provisions. When an interstate district has appropriated money for a capital project, the amount appropriated shall be divided into a New Hampshire share and a Vermont share in accordance with the capital expense apportionment formula in the articles of agreement as though the total amount appropriated for the project was a capital expense requiring apportionment in the year the appropriation is made. New Hampshire initial aid shall be available with respect to the amount of the New Hampshire share as though it were authorized indebtedness of a New Hampshire cooperative school district. In the case of a State guarantee of interstate district bonds or notes under RSA 195–B, the interstate district shall be eligible to apply for and receive an unconditional State guarantee with respect to an amount of its bonds or notes which does not exceed fifty percent of the amount of the New Hampshire share as determined above. Vermont initial aid shall be available with respect to the amount of the Vermont share as though it were funds voted by a Vermont school district. Payments of Vermont initial aid shall be made to the interstate district, and the amount of any borrowing authorized to meet the appropriation for the capital project shall be reduced accordingly. New Hampshire and Vermont long-term aid shall be payable to the interstate district. The amounts of long-term aid in each year shall be based on the New Hampshire and Vermont shares of the amount of indebtedness of the interstate district which is payable in that year and which has been

apportioned in accordance with the capital expense apportionment formula in the articles of agreement. The New Hampshire aid shall be payable at the rate of forty-five percent, if there are three or less New Hampshire members in the interstate district, and otherwise it shall be payable as though the New Hampshire members were a New Hampshire cooperative school district. New Hampshire and Vermont long-term aid shall be deducted from the total capital expenses for the fiscal year in which the long-term aid is payable, and the balance of such expenses shall be apportioned among the member districts. Notwithstanding the foregoing provisions, New Hampshire and Vermont may at any time change their State school aid programs that are in existence when this compact takes effect and may establish new programs, and any legislation for these purposes may specify how such programs shall be applied with respect to interstate districts. Notwithstanding the foregoing, the respective amounts of New Hampshire and Vermont initial and long-term aid, with respect to a capital project of the Dresden School District for which indebtedness is authorized by a vote of the District after July 1, 1977, shall be initially determined for each year for each member district by the manner provided in this paragraph and the aid shall be paid to the Dresden School District, however, the amount of aid for those capital projects received by the Dresden School District on account of each member district shall be used by the District to reduce the sums which would otherwise be required to be raised by taxation within that member district.";

(2) insert the following at the end of article VII:

"(I) Notwithstanding paragraph (G) of this Article, initial and long-term aid may be allocated among the members of an interstate district other than the Dresden School District in the manner which is provided in the articles of agreement of that district, or if not therein provided, in the manner specified in paragraph (G) for all interstate districts other than the Dresden School District."; and

(3) amend Article IX to read as follows:

"ARTICLE IX

"AMENDMENTS TO ARTICLES OF AGREEMENT

"A. Amendments to the articles of agreement shall be adopted in the manner provided in the articles of agreement, and if no such provision is made in the articles of agreement then amendments shall be adopted by the affirmative vote of two-thirds of those present and voting at an interstate district meeting, except that:

"a. If the amendment proposes the addition of a new member district, the amendment shall be adopted in the same manner provided for the adoption of the original articles of agreement, provided that the planning committee shall consist of all of the members of the interstate district board of directors and all of the members of the school board of the proposed new member district or districts, and provided that the amendment shall be submitted to the voters of the interstate district, the affirmative vote of two-thirds of those present and voting at an interstate district meeting being required for approval of the amendment. The articles of agreement together with the proposed amendment shall then be submitted to the voters of the proposed new member district or districts, and an affirmative vote of a simple majority of those present and voting at each district meeting shall be required for approval of the amendment.

"b. No amendment to the articles of agreement may impair the rights of bond or note holders or the power of the interstate district to procure the means for their payment.

"c. Amendments to the articles of agreement of the Dresden School District shall be adopted in the following manner: (1) an amendment shall be initially approved upon the affirmative vote of a simple majority of those voters of the Dresden School District who are present and voting at a meeting called for such purpose, (2) the amendment initially approved by the voters of the Dresden School District shall become final and effective upon the expiration of thirty days after the date of that vote, unless a petition is duly filed within that thirty-day period and the amendment is subsequently not approved by the voters of a member district in accordance with the procedure specified in clause (3), (3) if a petition, valid under applicable State law, is filed before the expiration of that thirty-day period with the clerk of any school district which is a member of the Dresden School District, which petition requires the calling of a special meeting of that member district for the purpose of considering the approval of the amendment initially adopted by the voters of the Dresden School District, then the board of school directors of that member district shall thereupon call a special meeting of that district for that purpose, (4) if the amendment as initially approved by the voters of the Dresden School District is approved by more than forty percent of the voters present and voting at the meeting of each member district in which a petition was filed under this section, then the amendment as initially adopted shall become final and effective upon the vote of that member district last to vote. If the amendment as initially approved by the voters of the Dresden School District is not so approved by more than forty percent of the voters present and voting at the meeting of any one member district, then the amendment shall be null and void and of no effect.".

Approved October 27, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1722 (Comm. on the Judiciary).
SENATE REPORT No. 95-968 (Comm. on the Judiciary).
CONGRESSIONAL RECORD, Vol. 124 (1978):
July 14, considered and passed Senate.
Oct. 12, considered and passed House.

Public Law 95-537
95th Congress

An Act

Oct. 27, 1978
[S. 3336]

To enable the Department of Justice and the Administrative Office of the United States Courts to provide services and special supervision to drug dependent Federal offenders in an efficient and effective manner.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Contract Services for Drug Dependent Federal Offenders Act of 1978".

Contract Services for Drug Dependent Federal Offenders Act of 1978.
18 USC 3651 note.

SEC. 2. Section 3651 of title 18, United States Code, relating to suspension of sentence and probation, is amended by deleting from the second to the last paragraph the colon and everything thereafter, and inserting in lieu thereof a period.

SEC. 3. Section 4255 of title 18, United States Code, relating to supervision in the community of certain convicted offenders, is amended to read as follows:

Jurisdiction.

"An offender who has been conditionally released shall be under the jurisdiction of the United States Parole Commission as if on parole, pursuant to chapter 311 of this title.

"The Director of the Administrative Office of the United States Courts may contract with any appropriate public or private agency or any person for supervisory aftercare of an offender. The Director may negotiate and award such contracts without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).".

Appropriation authorization.
18 USC 4255 note.

SEC. 4. (a) To carry out the purposes of this Act, there are authorized to be appropriated sums not to exceed $3,500,000 for the fiscal year ending September 30, 1980; $3,645,000 for the fiscal year ending September 30, 1981; and $3,750,000 for the fiscal year ending September 30, 1982.

Effective date.
18 USC 3651 note.

(b) The amendments made by this Act shall take effect on October 1, 1979.

Approved October 27, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1649 (Comm. on the Judiciary).
SENATE REPORT No. 95-1110 (Comm. on the Judiciary).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Aug. 17, considered and passed Senate.
Oct. 10, considered and passed House, amended.
Oct. 13, Senate concurred in House amendments.

Public Law 95-538
95th Congress

An Act

To rename the United States Federal building in Yakima, Washington, the "Justice William O. Douglas Federal Building".

Oct. 27, 1978
[S. 3540]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Federal building and courthouse located at 25 South Third Street in Yakima, Washington, is hereby designated as the "Justice William O. Douglas Federal Building". Any reference in any law, regulation, document, record, map, or other paper of the United States to such building shall be considered to be a reference to the Justice William O. Douglas Federal Building.

Justice William O. Douglas Federal Building, Wash. Designation.

Approved October 27, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1775 (Comm. on Public Works and Transportation).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 2, considered and passed Senate.
Oct. 12, considered and passed House.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 43:
Oct. 27, Presidential statement.

Public Law 95-539
95th Congress

An Act

Oct. 28, 1978
[S. 1315]

To provide more effectively for the use of interpreters in courts of the United States, and for other purposes.

Court Interpreters Act.
28 USC 1 note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Court Interpreters Act".

SEC. 2. (a) Chapter 119 of title 28, United States Code, is amended by adding at the end thereof the following new sections:

28 USC 1827.

"§ 1827. Interpreters in courts of the United States

"(a) The Director of the Administrative Office of the United States Courts shall establish a program to facilitate the use of interpreters in courts of the United States.

"(b) The Director shall prescribe, determine, and certify the qualifications of persons who may serve as certified interpreters in courts of the United States in bilingual proceedings and proceedings involving the hearing impaired (whether or not also speech impaired), and in so doing, the Director shall consider the education, training, and experience of those persons. The Director shall maintain a current master list of all interpreters certified by the Director and shall report annually on the frequency of requests for, and the use and effectiveness of, interpreters. The Director shall prescribe a schedule of fees for services rendered by interpreters.

Annual report.

Fee schedule.

"(c) Each United States district court shall maintain on file in the office of the clerk of court a list of all persons who have been certified as interpreters, including bilingual interpreters and oral or manual interpreters for the hearing impaired (whether or not also speech impaired), by the Director of the Administrative Office of the United States Courts in accordance with the certification program established pursuant to subsection (b) of this section.

"(d) The presiding judicial officer, with the assistance of the Director of the Administrative Office of the United States Courts, shall utilize the services of the most available certified interpreter, or when no certified interpreter is reasonably available, as determined by the presiding judicial officer, the services of an otherwise competent interpreter, in any criminal or civil action initiated by the United States in a United States district court (including a petition for a writ of habeas corpus initiated in the name of the United States by a relator), if the presiding judicial officer determines on such officer's own motion or on the motion of a party that such party (including a defendant in a criminal case), or a witness who may present testimony in such action—

"(1) speaks only or primarily a language other than the English language; or

"(2) suffers from a hearing impairment (whether or not suffering also from a speech impairment)

so as to inhibit such party's comprehension of the proceedings or communication with counsel or the presiding judicial officer, or so as to inhibit such witness' comprehension of questions and the presentation of such testimony.

"(e)(1) If any interpreter is unable to communicate effectively with the presiding judicial officer, the United States attorney, a party (including a defendant in a criminal case), or a witness, the presiding judicial officer shall dismiss such interpreter and obtain the services of another interpreter in accordance with this section.

"(2) In any criminal or civil action in a United States district court, if the presiding judicial officer does not appoint an interpreter under subsection (d) of this section, an individual requiring the services of an interpreter may seek assistance of the clerk of court or the Director of the Administrative Office of the United States Courts in obtaining the assistance of a certified interpreter.

Waiver, approval and consultation.

"(f)(1) Any individual other than a witness who is entitled to interpretation under subsection (d) of this section may waive such interpretation in whole or in part. Such a waiver shall be effective only if approved by the presiding judicial officer and made expressly by such individual on the record after opportunity to consult with counsel and after the presiding judicial officer has explained to such individual, utilizing the services of the most available certified interpreter, or when no certified interpreter is reasonably available, as determined by the presiding judicial officer, the services of an otherwise competent interpreter, the nature and effect of the waiver.

"(2) An individual who waives under paragraph (1) of this subsection the right to an interpreter may utilize the services of a noncertified interpreter of such individual's choice whose fees, expenses, and costs shall be paid in the manner provided for the payment of such fees, expenses, and costs of an interpreter appointed under subsection (d) of this section.

Salaries, fees, and expenses.

Post, p. 2042.

"(g)(1) Except as otherwise provided in this subsection or section 1828 of this title, the salaries, fees, expenses, and costs incident to providing the services of interpreters under subsection (d) of this section shall be paid by the Director of the Administrative Office of the United States Courts from sums appropriated to the Federal judiciary.

"(2) Such salaries, fees, expenses, and costs that are incurred with respect to Government witnesses shall, unless direction is made under paragraph (3) of this subsection, be paid by the Attorney General from sums appropriated to the Department of Justice.

"(3) The presiding judicial officer may in such officer's discretion direct that all or part of such salaries, fees, expenses, and costs shall be apportioned between or among the parties or shall be taxed as costs in a civil action.

"(4) Any moneys collected under this subsection may be used to reimburse the appropriations obligated and disbursed in payment for such services.

"(h) In any action in a court of the United States where the presiding judicial officer establishes, fixes, or approves the compensation and expenses payable to an interpreter from funds appropriated to the Federal judiciary, the presiding judicial officer shall not establish, fix, or approve compensation and expenses in excess of the maximum allowable under the schedule of fees for services prescribed pursuant to subsection (b) of this section.

"Presiding judicial officer."

"(i) The term 'presiding judicial officer' as used in this section and section 1828 of this title includes a judge of a United States district court, a United States magistrate, and a referee in bankruptcy.

"United States district court." *Infra.*

"(j) The term 'United States district court' as used in this section and section 1828 of this title includes any court created by Act of Congress in a territory which is invested with any jurisdiction of a district court of the United States established by section 132 of this title.

28 USC 132.

"(k) The interpretation provided by certified interpreters pursuant to this section shall be in the consecutive mode except that the presiding judicial officer, with the approval of all interested parties, may authorize a simultaneous or summary interpretation when such officer determines that such interpretation will aid in the efficient administration of justice. The presiding judicial officer on such officer's motion or on the motion of a party may order that special interpretation services as authorized in section 1828 of this title be provided if such officer determines that the provision of such services will aid in the efficient administration of justice.

28 USC 1828.

"§ 1828. Special interpretation services

Program establishment.

"(a) The Director of the Administrative Office of the United States Courts shall establish a program for the provision of special interpretation services in criminal actions and in civil actions initiated by the United States (including petitions for writs of habeas corpus initiated in the name of the United States by relators) in a United States district court. The program shall provide a capacity for simultaneous interpretation services in multidefendant criminal actions and multidefendant civil actions.

"(b) Upon the request of any person in any action for which special interpretation services established pursuant to subsection (a) are not otherwise provided, the Director, with the approval of the presiding judicial officer, may make such services available to the person requesting the services on a reimbursable basis at rates established in conformity with section 501 of the Act of August 31, 1951 (ch. 376, title 5, 65 Stat. 290; 31 U.S.C. 483a), but the Director may require the prepayment of the estimated expenses of providing the services by the person requesting them.

Expenses.

"(c) Except as otherwise provided in this subsection, the expenses incident to providing services under subsection (a) of this section shall be paid by the Director from sums appropriated to the Federal judiciary. A presiding judicial officer, in such officer's discretion, may order that all or part of the expenses shall be apportioned between or among the parties or shall be taxed as costs in a civil action, and any moneys collected as a result of such order may be used to reimburse the appropriations obligated and disbursed in payment for such services.

"(d) Appropriations available to the Director shall be available to provide services in accordance with subsection (b) of this section, and moneys collected by the Director under that subsection may be used to reimburse the appropriations charged for such services. A presiding judicial officer, in such officer's discretion, may order that all or part of the expenses shall be apportioned between or among the parties or shall be taxed as costs in the action.".

(b) The table of sections for chapter 119 of title 28, United States Code, is amended by adding at the end thereof the following:

"1827. Interpreters in courts of the United States.
"1828. Special interpretation services.".

SEC. 3. Section 604(a) of title 28, United States Code, is amended—

(a) by striking out paragraph (10) and inserting in lieu thereof:

"(10)(A) Purchase, exchange, transfer, distribute, and assign the custody of lawbooks, equipment, supplies, and other personal property for the judicial branch of Government (except the Supreme Court unless otherwise provided pursuant to paragraph (17)); (B) provide or make available readily to each court appropriate equipment for the interpretation of proceedings in accordance with section 1828 of this title; and (C) enter into and perform contracts and other transactions upon such terms as the Director may deem appropriate as may be necessary to the conduct of the work of the judicial branch of Government (except the Supreme Court unless otherwise provided pursuant to paragraph (17)), and contracts for nonpersonal services for pretrial services agencies, for the interpretation of proceedings, and for the provision of special interpretation services pursuant to section 1828 of this title may be awarded without regard to section 3709 of the Revised Statutes of the United States (41 U.S.C. 5);"; *Ante*, p. 2042.

(b) by redesignating paragraph (13) as paragraph (17); and

(c) by inserting after paragraph (12) the following new paragraphs: Interpreter programs, establishment. *Ante*, p. 2040.

"(13) Pursuant to section 1827 of this title, establish a program for the certification and utilization of interpreters in courts of the United States;

"(14) Pursuant to section 1828 of this title, establish a program for the provision of special interpretation services in courts of the United States;

"(15)(A) In those districts where the Director considers it advisable based on the need for interpreters, authorize the full-time or part-time employment by the court of certified interpreters; (B) where the Director considers it advisable based on the need for interpreters, appoint certified interpreters on a full-time or part-time basis, for services in various courts when he determines that such appointments will result in the economical provision of interpretation services; and (C) pay out of moneys appropriated for the judiciary interpreters' salaries, fees, and expenses, and other costs which may accrue in accordance with the provisions of sections 1827 and 1828 of this title;

"(16) In the Director's discretion, (A) accept and utilize voluntary and uncompensated (gratuitous) services, including services as authorized by section 3102 of title 5, United States Code; and (B) accept, hold, administer, and utilize gifts and bequests of personal property for the purpose of aiding or facilitating the work of the judicial branch of Government, but gifts or bequests of money shall be covered into the Treasury;".

SEC. 4. Section 604 of title 28, United States Code, is amended further by inserting after subsection (e) the following new subsections:

"(f) The Director may make, promulgate, issue, rescind, and amend rules and regulations (including regulations prescribing standards of conduct for Administrative Office employees) as may be necessary to carry out the Director's functions, powers, duties, and authority. The Director may publish in the Federal Register such rules, regulations, Conduct standards, rules and regulations. Publication in Federal Register.

and notices for the judicial branch of Government as the Director determines to be of public interest; and the Director of the Federal Register hereby is authorized to accept and shall publish such materials.

Exchanges or sales, evidence.

"(g)(1) When authorized to exchange personal property, the Director may exchange or sell similar items and may apply the exchange allowance or proceeds of sale in such cases in whole or in part payment for the property acquired, but any transaction carried out under the authority of this subsection shall be evidenced in writing.

Contracts.

"(2) The Director hereby is authorized to enter into contracts for public utility services and related terminal equipment for periods not exceeding ten years.".

SEC. 5. Section 602 of title 28, United States Code, is amended to read as follows:

"§ 602. Employees

Compensation.

"(a) The Director shall appoint and fix the compensation of necessary employees of the Administrative Office in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of title 5, relating to classification and General Schedule pay rates.

5 USC 5101 *et seq.*, 5331.

"(b) Notwithstanding any other law, the Director may appoint certified interpreters in accordance with section 604(a)(15)(B) of this title without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, relating to classification and General Schedule pay rates, but the compensation of any person appointed under this subsection shall not exceed the appropriate equivalent of the highest rate of pay payable for the highest grade established in the General Schedule, section 5332 of title 5.

Ante, p. 2043.

"(c) The Director may obtain personal services as authorized by section 3109 of title 5, at rates not to exceed the appropriate equivalent of the highest rate of pay payable for the highest grade established in the General Schedule, section 5332 of title 5.

Authority delegations.

"(d) All functions of other officers and employees of the Administrative Office and all functions of organizational units of the Administrative Office are vested in the Director. The Director may delegate any of the Director's functions, powers, duties, and authority (except the authority to promulgate rules and regulations) to such officers and employees of the judicial branch of Government as the Director may designate, and subject to such terms and conditions as the Director may consider appropriate; and may authorize the successive redelegation of such functions, powers, duties, and authority as the Director may deem desirable. All official acts performed by such officers and employees shall have the same force and effect as though performed by the Director in person.".

SEC. 6. Section 603 of title 28, United States Code, is amended by striking out the second paragraph thereof.

Taxation of costs.

SEC. 7. Section 1920 of title 28, United States Code, is amended by striking out the period at the end of paragraph (5) and inserting a semicolon in lieu thereof and by inserting after paragraph (5) the following new paragraph:

"(6) Compensation of court appointed experts, compensation of interpreters, and salaries, fees, expenses, and costs of special interpretation services under section 1828 of this title.".

Repeal.
28 USC 602 note.

SEC. 8. Section 5(b) of the Act of September 23, 1959 (Public Law 86-370, 73 Stat. 652), is repealed.

SEC. 9. There are authorized to be appropriated to the judicial branch of Government such sums as may be necessary to carry out the amendments made by this Act. Appropriation authorization.

SEC. 10. (a) Except as provided in subsection (b), this Act shall take effect on the date of the enactment of this Act. Effective dates. 28 USC 602 note.

(b) Section 2 of this Act shall take effect ninety days after the date of the enactment of this Act.

SEC. 11. Any contracts entered into under this Act or any of the amendments made by this Act shall be limited to such extent or in such amounts as are provided in advance in appropriation Acts. 28 USC 602 note.

Approved October 28, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1687 accompanying H.R. 14030 (Comm. on the Judiciary).
SENATE REPORT No. 95-569 (Comm. on the Judiciary).
CONGRESSIONAL RECORD:
Vol. 123 (1977): Nov. 4, considered and passed Senate.
Vol. 124 (1978): Oct. 10, H.R. 14030 considered and passed House; passage vacated and S. 1315, amended, passed in lieu.
Oct. 13, Senate concurred in House amendment.

Public Law 95-540
95th Congress

An Act

Oct. 28, 1978
[H.R. 4727]

To amend the Federal Rules of Evidence to provide for the protection of the privacy of rape victims.

Privacy Protection for Rape Victims Act of 1978.
28 USC app.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Privacy Protection for Rape Victims Act of 1978".

SEC. 2. (a) Article IV of the Federal Rules of Evidence is amended by adding at the end thereof the following new rule:

28 USC app.

"RULE 412. RAPE CASES; RELEVANCE OF VICTIM'S PAST BEHAVIOR

"(a) Notwithstanding any other provision of law, in a criminal case in which a person is accused of rape or of assault with intent to commit rape, reputation or opinion evidence of the past sexual behavior of an alleged victim of such rape or assault is not admissible.

"(b) Notwithstanding any other provision of law, in a criminal case in which a person is accused of rape or of assault with intent to commit rape, evidence of a victim's past sexual behavior other than reputation or opinion evidence is also not admissible, unless such evidence other than reputation or opinion evidence is—

"(1) admitted in accordance with subdivisions (c)(1) and (c)(2) and is constitutionally required to be admitted; or

"(2) admitted in accordance with subdivision (c) and is evidence of—

"(A) past sexual behavior with persons other than the accused, offered by the accused upon the issue of whether the accused was or was not, with respect to the alleged victim, the source of semen or injury; or

"(B) past sexual behavior with the accused and is offered by the accused upon the issue of whether the alleged victim consented to the sexual behavior with respect to which rape or assault is alleged.

"(c)(1) If the person accused of committing rape or assault with intent to commit rape intends to offer under subdivision (b) evidence of specific instances of the alleged victim's past sexual behavior, the accused shall make a written motion to offer such evidence not later than fifteen days before the date on which the trial in which such evidence is to be offered is scheduled to begin, except that the court may allow the motion to be made at a later date, including during trial, if the court determines either that the evidence is newly discovered and could not have been obtained earlier through the exercise of due diligence or that the issue to which such evidence relates has newly arisen in the case. Any motion made under this paragraph shall be served on all other parties and on the alleged victim.

Hearing.

"(2) The motion described in paragraph (1) shall be accompanied by a written offer of proof. If the court determines that the offer of proof contains evidence described in subdivision (b), the court shall order a hearing in chambers to determine if such evidence is admissible.

At such hearing the parties may call witnesses, including the alleged victim, and offer relevant evidence. Notwithstanding subdivision (b) of rule 104, if the relevancy of the evidence which the accused seeks to offer in the trial depends upon the fulfillment of a condition of fact, the court, at the hearing in chambers or at a subsequent hearing in chambers scheduled for such purpose, shall accept evidence on the issue of whether such condition of fact is fulfilled and shall determine such issue. 28 USC app.

"(3) If the court determines on the basis of the hearing described in paragraph (2) that the evidence which the accused seeks to offer is relevant and that the probative value of such evidence outweighs the danger of unfair prejudice, such evidence shall be admissible in the trial to the extent an order made by the court specifies evidence which may be offered and areas with respect to which the alleged victim may be examined or cross-examined.

"(d) For purposes of this rule, the term 'past sexual behavior' means sexual behavior other than the sexual behavior with respect to which rape or assault with intent to commit rape is alleged.". "Past sexual behavior."

(b) The table of contents for the Federal Rules of Evidence is amended by inserting immediately after the item relating to rule 411 the following new item:

"Rule 412. Rape cases; relevance of victim's past behavior.".

SEC. 3. The amendments made by this Act shall apply to trials which begin more than thirty days after the date of the enactment of this Act. Effective date. 28 USC app.

Approved October 28, 1978.

LEGISLATIVE HISTORY:

CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 10, considered and passed House.
Oct. 12, considered and passed Senate.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 44:
Oct. 30, Presidential statement.

Public Law 95-541
95th Congress

An Act

Oct. 28, 1978
[H.R. 7749]

To implement the Agreed Measures for the Conservation of Antarctic Fauna and Flora, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Antarctic Conservation Act of 1978".

Antarctic Conservation Act of 1978.
16 USC 2401 note.

SEC. 2. FINDINGS AND PURPOSE.

16 USC 2401.
12 UST 794.
17 UST 991.

(a) FINDINGS.—The Congress finds that—

(1) the Antarctic Treaty and the Agreed Measures for the Conservation of Antarctic Fauna and Flora, adopted at the Third Antarctic Treaty Consultative Meeting, have established a firm foundation for the continuation of international cooperation and the freedom of scientific investigation in Antarctica; and

(2) the study of Antarctic fauna and flora, their adaptation to their rigorous environment, and their interrelationships with that environment has special scientific importance for all mankind.

(b) PURPOSE.—The purpose of this Act is to provide for the conservation and protection of the fauna and flora of Antarctica, and of the ecosystem upon which such fauna and flora depend, consistent with the Antarctic Treaty, the Agreed Measures for the Conservation of Antarctic Fauna and Flora, and Recommendation VII-3 of the Eighth Antarctic Treaty Consultative Meeting.

16 USC 2402.

SEC. 3. DEFINITIONS.

For purposes of this Act—

(1) The term "Agreed Measures" means the Agreed Measures for the Conservation of Antarctic Fauna and Flora—

(A) as recommended to the Consultative Parties for approval at the Third Antarctic Treaty Consultative Meeting; and

(B) as amended from time to time in accordance with Article IX(1) of the Treaty.

(2) The term "Antarctica" means the area south of 60 degrees south latitude.

(3) The term "collect" means to cut, sever, or move, or to attempt to engage in any such conduct.

(4) The term "Director" means the Director of the National Science Foundation or an officer or employee of the Foundation designated by the Director.

(5) The term "foreign person" means—

(A) any individual who is a citizen or national of a foreign nation,

(B) any corporation, partnership, trust, association, or other legal entity existing or organized under the laws of any foreign nation, and

(C) any department, agency, or other instrumentality of any foreign nation and any officer, employee, or agent of any such instrumentality.

(6) The term "native bird" means any member, at any stage of its life cycle (including eggs), of any species of the class Aves

which is designated as a native species by the Director under section 6(b)(1), and includes any part of any such member.

(7) The term "native mammal" means any member, at any stage of its life cycle, of any species of the class Mammalia, other than any species regulated by the International Whaling Commission, which is designated as a native species by the Director under section 6(b)(1), and includes any part of such member.

(8) The term "native plant" means any member of any species of plant at any stage of its life cycle (including seeds) which is designated as such by the Director under section 6(b)(1), and includes any part of any such member.

(9) The term "pollutant" means any substance designated as such by the Director under section 6(b)(6).

(10) The term "site of special scientific interest" means any area designated as such by the Director under section 6(b)(3).

(11) The term "specially protected area" means any area designated as such by the Director under section 6(b)(4).

(12) The term "specially protected species" means any species of native mammal or native bird designated as such by the Director under section 6(b)(5).

(13) The term "take" means to harass, molest, harm, pursue, hunt, shoot, wound, kill, trap, or capture, or to attempt to engage in any such conduct.

(14) The term "Treaty" means the Antarctic Treaty signed in Washington, D.C., on December 1, 1959. 12 UST 794.

(15) The term "United States" means the several States of the Union, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, Guam, and the Trust Territory of the Pacific Islands, including the Government of the Northern Mariana Islands.

(16) The term "United States citizen" means—

(A) any individual who is a citizen or national of the United States;

(B) any corporation, partnership, trust, association, or other legal entity existing or organized under the laws of any of the United States; and

(C) any department, agency, or other instrumentality of the Federal Government or of any State, and any officer, employee, or agent of any such instrumentality.

SEC. 4. PROHIBITED ACTS. 16 USC 2403.

(a) IN GENERAL.—It is unlawful—

(1) for any United States citizen, unless authorized by regulation prescribed under this Act or a permit issued under section 5—

(A) to take within Antarctica any native mammal or native bird,

(B) to collect within any specially protected area any native plant,

(C) to introduce into Antarctica any animal or plant that is not indigenous to Antarctica,

(D) to enter any specially protected area or site of special scientific interest, or

(E) to discharge, or otherwise to dispose of, any pollutant within Antarctica;

(2) for any United States citizen wherever located, or any foreign person while within the United States, unless authorized by regulation prescribed under this Act or a permit issued under section 5—

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(A) to possess, sell, offer for sale, deliver, receive, carry, transport, or ship by any means whatsoever, or

(B) to import into the United States, to export from the United States, or to attempt to so import or export,

any native mammal or native bird taken in Antarctica or any native plant collected in any specially protected area;

(3) for any United States citizen wherever located, or any foreign person while within the United States, to violate any regulation prescribed under this Act; or

(4) for any person, whether or not a United States citizen, to violate any term or condition of any permit issued under section 5.

No act described in paragraphs (1) through (4) shall be unlawful if committed, under emergency circumstances, to prevent the loss of human life.

(b) EXCEPTION.—Subsection (a) shall not apply to—

(1) any native mammal, native bird, or native plant which is held in captivity on the date of the enactment of this Act; or

(2) any offspring of any such mammal, bird, or plant.

With respect to any act prohibited by subsection (a) which occurs after the 180th day after such date of enactment, there shall be a rebuttable presumption that the native mammal, native bird, or native plant involved in such act was not held in captivity on such date or was not an offspring referred to in paragraph (2).

16 USC 2404.

SEC. 5. PERMITS.

(a) IN GENERAL.—The Director may issue permits which authorize acts otherwise prohibited by section 4(a).

Regulation.

(b) APPLICATIONS FOR PERMITS.—(1) Applications for permits under this section shall be made in such manner and form, and shall contain such information, as the Director shall by regulation prescribe.

Publication in Federal Register.

(2) The Director shall publish notice in the Federal Register of each application which is made for a permit under this section. The notice shall invite the submission by interested parties, within 30 days after the date of publication of the notice, of written data, comments, or views with respect to the application. Information received by the Director as a part of any application shall be available to the public as a mater of public record.

(c) ACTION BY APPROPRIATE SECRETARIES ON CERTAIN PERMIT APPLICATIONS.—(1) If the Director receives an application for a permit under this section requesting authority to undertake any action with respect to—

(A) any native mammal which is a marine mammal within the meaning of section 3(5) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1362(5));

(B) any native mammal, native bird, or native plant which is an endangered species or threatened species under the Endangered Special Act of 1973 (16 U.S.C. 1531 et seq.); or

(C) any native bird which is protected under the Migratory Bird Treaty Act (16 U.S.C. 701 et seq.);

the Director shall submit a copy of the application to the Secretary of Commerce or to the Secretary of the Interior, as appropriate (hereinafter in this subsection referred to respectively as the "appropriate Secretary").

(2) After receiving a copy of any application from the Director under paragraph (1) the appropriate Secretary shall promptly

determine, and notify the Director, whether or not any action proposed in the application also requires a permit or other authorization under any law administered by the appropriate Secretary.

(3) If the appropriate Secretary notifies the Director that any action proposed in the application requires a permit or other authorization under any law administered by the appropriate Secretary, the Director may not issue a permit under this section with respect to such action unless such other required permit or authorization is issued by the appropriate Secretary and a copy thereof is submitted to the Director. The issuance of any permit or other authorization by the appropriate Secretary for the carrying out of any action with respect to any native mammal, native bird, or native plant shall not be deemed to entitle the applicant concerned to the issuance by the Director of a permit under this section.

(d) ISSUANCE OF PERMITS.—As soon as practicable after receiving any application for a permit under this section, or, in the case of any application to which subsection (c) applies, as soon as practicable after the applicable requirements of such subsection are complied with, the Director shall issue, or deny the issuance of, the permit. Within 10 days after the date of the issuance or denial of a permit under this subsection, the Director shall publish notice of the issuance or denial in the Federal Register.

Publication in Federal Register.

(e) TERMS AND CONDITIONS OF PERMITS.—(1) Each permit issued under this section shall—

(A) if applicable, specify—

(i) the number and species of native mammals, native birds, or native plants to which the permit applies,

(ii) if any such mammal or bird is authorized to be taken, transported, carried, or shipped, the manner (which manner must be determined by the Director to be humane) in which such action must be accomplished and the area in which such taking must occur, and

(iii) if any such plant is authorized to be collected, the location and manner in which it must be collected;

(B) the period during which the permit is valid; and

(C) such other terms and conditions as the Director deems necessary and appropriate to ensure that any act authorized under the permit is carried out in a manner consistent with the purpose of this Act, the criteria set forth in paragraph (2), if applicable, and the regulations prescribed under this Act.

(2) The terms and conditions imposed by the Director in any permit issued under this section that authorizes any of the following acts shall be consistent with the following criteria:

Criteria.

(A) Permits authorizing the taking within Antarctica (other than within any specially protected area) of any native mammal or native bird (other than a specially protected species of any such mammal or bird)—

(i) may be issued only for the purpose of providing—

(I) specimens for scientific study or scientific information, or

(II) specimens for museums, zoological gardens, or other educational or cultural institutions or uses; and

(ii) shall ensure, as far as possible, that—

(I) no more native mammals and native birds are taken in any year than can normally be replaced by net natural reproduction in the following breeding season, and

(II) the variety of species and the balance of the natural ecological systems with Antarctic and maintained.

(B) Permits authorizing the taking of specially protected species may be issued only if—

(i) there is a compelling scientific purpose for such taking; and

(ii) the actions allowed under any such permit will not jeopardize any existing natural ecological system, or the survival, of such species.

(C) Permits authorizing the entry into any specially protected area—

(i) may be issued only if—

(I) there is a compelling scientific purpose for such entry which cannot be served elsewhere, and

(II) the actions allowed under any such permit will not jeopardize the natural ecological system existing in such area; and

(ii) shall not allow the operation of any surface vehicle within such area.

(D) Permits authorizing the entry into any site of special scientific interest shall be consistent with the management plan prescribed under section 6(b)(3) for such site.

(e) JUDICIAL REVIEW.—Any applicant for a permit may obtain judicial review of the terms and conditions of any permit issued by the Director under this section or of the refusal of the Director to issue such a permit. Such review, which shall be pursuant to chapter 7 of title 5, United States Code, may be initiated by filing a petition for review in the United States district court for the district wherein the applicant for a permit resides, or has his principal place of business, or in the United States District Court for the District of Columbia, within 60 days after the date on which such permit is issued or denied.

5 USC 701 *et seq.*

(f)(1) MODIFICATION, SUSPENSION, AND REVOCATION.—The Director may modify, suspend, or revoke, in whole or part, any permit issued under this section—

(A) in order to make the permit consistent with any change made after the date of issuance of the permit, to any regulation prescribed under section 6;

(B) if there is any change in conditions which makes the permit inconsistent with the purpose of this Act; or

(C) in any case in which there has been any violation of any term or condition of the permit, any regulation prescribed under this Act, or any provision of this Act.

(2) Whenever the Director proposes any modification, suspension, or revocation of a permit under this subsection, the permittee shall be afforded opportunity, after due notice, for a hearing by the Director with respect to such proposed modification, suspension, or revocation. If a hearing is requested, the action proposed by the Director shall not take effect before a decision is issued by him after the hearing, unless the proposed action is taken by the Director to meet an emergency situation. Any action taken by the Director after such a hearing is subject to judicial review on the same basis as is provided for with respect to permit applications under subsection (e).

Notice, publication in Federal Register.

(3) Notice of the modification, suspension, or revocation of any permit by the Director shall be published in the Federal Register within 10 days from the date of the Director's decision.

(g) PERMIT FEES.—The Director may establish and charge fees for processing applications for permits under this section. The amount of such fees shall be commensurate with the administrative costs incurred by the Director in undertaking such processing.

SEC. 6. REGULATIONS. 16 USC 2405.

(a) IN GENERAL.—The Director, after consultation with the Secretary of State and other appropriate Federal officials, shall prescribe such regulations as are necessary and appropriate to implement the provisions of this Act. Consultation.

(b) SPECIFIC REGULATIONS.—The regulations required to be prescribed under subsection (a) shall include, but shall not be limited to, regulations which—

(1) designate, as native species—

(A) each species of the class Aves,

(B) each species of the class Mammalia, and

(C) each species of plant,

which is indigenous to Antarctica or occurs in Antarctica through natural agencies of dispersal;

(2) specify those actions which must, and those actions which must not, be taken within Artarctica in order to protect, in accordance with the applicable provisions of the Agreed Measures, members of each native species designated under paragraph (1); 17 UST 991.

(3) identify, as a site or special scientific interest, each area approved by the United States in accordance with Recommendation VIII-3 of the Eighth Antarctic Treaty Consultative Meeting as having unique value for scientific investigation and needing protection from interference, and prescribe a management plan for such site which is consistent with any management plan approved by the United States for such site in accordance with such Recommendation;

(4) identify, as a specially protected area, each area designated for special protection under the Agreed Measures because of its outstanding scientific or ecological interest;

(5) designate, as a specially protected species, any native species of mammal or bird which is approved by the United States for special protection under the Agreed Measures;

(6) designate as a pollutant any substance which the Director finds liable, if the substance is introduced into Antarctica, to create hazards to human health, to harm living resources or marine life, to damage amenities, or to interfere with other legitimate uses of Antarctica;

(7) specify those actions which must, and those actions which must not, be taken in order to prevent or control the discharge or other disposal of pollutants, from any source within Antarctica;

(8) designate those animals and plants, not indigenous to Antarctica, which either may, or may not, be introduced into Antarctica, and specify those control measures which must be observed with respect to any such animals or plants which are allowed to be so introduced;

(9) specify the emergency circumstances with respect to which the exclusion set forth in the last sentence of section 4(a) applies; and

(10) set forth the form, content, and manner of filing, if applicable, of all notices, reports, declarations, or other documentation which may be required incident to the carrying out of any act for which a permit is required under section 5.

Regulations.
16 USC 2406.

SEC. 7. NOTIFICATION OF TRAVEL TO ANTARCTICA.

The Secretary of State shall prescribe such regulations as may be necessary and appropriate to implement, with respect to United States citizens, paragraph 5 of Article VII of the Treaty pertaining to the filing of advance notifications of expeditions to, and within, Antarctica. For purposes of this section, the term "United States citizen" shall include any foreign person who organizes within the United States any expedition which will proceed to Antarctica from the United States.

12 UST 794.

"United States citizen."

16 USC 2407.

SEC. 8. CIVIL PENALTIES.

(a) ASSESSMENT OF PENALTIES.—Any person who is found by the Director, after notice and opportunity for a hearing in accordance with subsection (b), to have committed any act prohibited by section 4(a) or to have violated any regulation prescribed under section 7 shall be liable to the United States for a civil penalty. The amount of the civil penalty shall not exceed $5,000 for each violation unless the prohibited act was knowingly committed, in which case the amount of the civil penalty shall not exceed $10,000 for each violation. Each day of a continuing violation shall constitute a separate offense. The amount of any civil penalty shall be assessed by the Director by written notice. Any civil penalty assessed under this subsection may be remitted or mitigated by the Director.

(b) HEARINGS.—Hearings for the assessment of civil penalties under subsection (a) shall be conducted in accordance with section 554 of title 5, United States Code. For the purposes of conducting any such hearing, the Director may issue subpenas for the attendance and testimony of witnesses and the production of relevant papers, books, and documents, and may administer oaths. Witnesses summoned shall be paid the same fees and mileage that are paid to witnesses in the courts of the United States. In case of contumacy or refusal to obey a subpena served upon any person pursuant to this subsection, the district court of the United States for any district in which such person is found, resides, or transacts business, upon application by the United States and after notice to such person, shall have jurisdiction to issue an order requiring such person to appear and give testimony before the Director or to appear and produce documents before the Director, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(c) REVIEW.—Upon the failure of any person against whom a civil penalty is assessed under subsection (a) to pay such penalty, the Director may request the Attorney General to institute a civil action in a district court of the United States for any district in which such person is found, resides, or transacts business to collect the penalty and such court shall have jurisdiction to hear and decide any such action. The court shall hear such action on the record made before the Director and shall sustain the decision of the Director if it is supported by substantial evidence on the record considered as a whole.

(d) PENALTIES UNDER OTHER LAWS.—The assessment of a civil penalty under subsection (a) for any act shall not be deemed to preclude the assessment of a civil penalty for such act under any other law, including, but not limited to, the Marine Mammal Protection Act of 1972, the Endangered Species Act of 1973, and the Migratory Bird Treaty Act.

16 USC 1361 note, 1531 note.
16 USC 710.

16 USC 2408.

SEC. 9. CRIMINAL OFFENSES.

(a) OFFENSES.—A person is guilty of an offense if he willfully commits any act prohibited by section 4(a).

(b) PUNISHMENT.—Any offense described in subsection (a) is punishable by a fine of $10,000, or imprisonment for not more than one year, or both.

(c) OFFENSES UNDER OTHER LAWS.—A conviction under subsection (a) for any act shall not be deemed to preclude a conviction for such act under any other law, including, but not limited to, the Marine Mammal Protection Act of 1972, the Endangered Species Act of 1973, and the Migratory Bird Treaty Act.

16 USC 1361 note, 1531 note. 16 USC 710. 16 USC 2409.

SEC. 10. ENFORCEMENT.

(a) RESPONSIBILITY.—The provisions of this Act and of any regulation prescribed, or permit issued, under this Act shall be enforced by the Director, the Secretary of the Treasury, the Secretary of Commerce, the Secretary of Interior, and the Secretary of the department in which the Coast Guard is operating. The Director and such Secretaries may utilize by agreement, on a reimbursable basis or otherwise, the personnel, services, and facilities of any other Federal agency or any State agency in the performance of such duties.

Cooperation.

(b) POWERS OF AUTHORIZED OFFICERS.—Any officer who is authorized (by the Director, the Secretary of the Treasury, the Secretary of Commerce, the Secretary of the Interior, the Secretary of the department in which the Coast Guard is operating, or the head of any Federal or State agency which has entered into an agreement with the Director or any such Secretary under subsection (a)) to enforce the provisions of this Act and of any regulation or permit issued under this Act may—

(1) secure, execute, and serve any order, warrant, subpena, or other process, which is issued under the authority of the United States;

(2) search without warrant any person, place, or conveyance where there is reasonable grounds to believe that a person has committed or is attempting to commit an act prohibited by section 4(a);

(3) seize without warrant any evidentiary item where there is reasonable grounds to believe that a person has committed or is attempting to commit any such act;

(4) offer and pay rewards for services or information which may lead to the apprehension of violators of such provisions;

(5) make inquiries, and administer to, or take from, any person an oath, affirmation, or affidavit, concerning any matter which is related to the enforcement of such provisions;

(6) detain for inspection and inspect any package, crate, or other container, including its contents, and all accompanying documents, upon importation into, or exportation from, the United States; and

(7) make an arrest with or without a warrant with respect to any act prohibited by section 4(a) if such officer has reasonable grounds to believe that the person to be arrested is committing such act in his presence or view, or has committed such act.

(c) SEIZURE.—Any property or item seized pursuant to subsection (b) shall be held by any person authorized by the Director, the Secretary of the Treasury, the Secretary of Commerce, the Secretary of the Interior, or the Secretary of the department in which the Coast Guard is operating pending the disposition of civil or criminal proceedings, or the institution of an action in rem for forfeiture of such property or item; except that such authorized person may, in lieu of holding such property or item, permit the owner or consignee thereof to post a bond or other satisfactory surety.

(d) FORFEITURE.—(1) Any animal or plant with respect to which an act prohibited by section 4(a) is committed shall be subject to forfeiture to the United States.

(2) All guns, traps, nets, and other equipment, vessels, vehicles, aircraft, and other means of transportation used in the commission of any act prohibited by section 4(a) shall be subject to forfeiture to the United States.

Property disposal, regulation.

(3) Upon the forfeiture to the United States of any property or item described in paragraph (1) or (2), or upon the abandonment or waiver of any claim to any such property or item, it shall be disposed of by the Director, the Secretary of the Treasury, the Secretary of Commerce, the Secretary of the Interior, or the Secretary of the department in which the Coast Guard is operating, as the case may be, in such a manner, consistent with the purposes of the Act, as may be prescribed by regulation; except that no native mammal, native bird, or native plant may be disposed of by sale to the public.

(e) APPLICATION OF CUSTOMS LAWS.—All provisions of law relating to the seizure, forfeiture, and condemnation of a vessel for violation of the customs laws, the disposition of such vessel or the proceeds from the sale thereof, and the remission or mitigation of such forfeiture, shall apply to the seizures and forfeitures incurred, or alleged to have been incurred, under the provision of this Act, insofar as such provisions of law are applicable and not inconsistent with the provisions of this Act; except that all powers, rights, and duties conferred or imposed by the customs laws upon any officer or employee of the Customs Service may, for the purposes of this Act, also be exercised or performed by the Director, the Secretary of Commerce, the Secretary of the Interior, or the Secretary of the department in which the Coast Guard is operating, or by such persons as each may designate.

Regulations.

(f) REGULATIONS.—The Director, the Secretary of the Treasury, the Secretary of Commerce, the Secretary of the Interior, and the Secretary of the department in which the Coast Guard is operating may prescribe such regulations as may be appropriate to enforce the provisions of this Act and of any regulation prescribed or permit issued under this Act, and charge reasonable fees for the expenses of the United States incurred in carrying out inspections and in transferring, boarding, handling, or storing native mammals, native birds, native plants, animals and plants not indigenous to Antarctica, and other evidentiary items seized or forfeited under this Act.

16 USC 2410.

SEC. 11. JURISDICTION OF COURTS.

The district courts of the United States shall have exclusive jurisdiction over any case or controversy arising under the provisions of this Act or of any regulation prescribed, or permit issued, under this Act.

16 USC 2411.

SEC. 12. FEDERAL AGENCY COOPERATION.

Each Federal department or agency whose activities affect Antarctica shall utilize, to the maximum extent practicable, its authorities in furtherance of the purposes of this Act, and shall cooperate with the Director in carrying out the purposes of this Act.

16 USC 2412.

SEC. 13. RELATIONSHIP TO EXISTING TREATIES.

Nothing in this Act shall be construed as contravening or superseding the provisions of any international treaty, convention, or agreement, if such treaty, convention, or agreement is in force with respect to the United States on the date of the enactment of this Act, or of any statute which implements any such treaty, convention, or agreement.

SEC. 14.

(a) The first section of the Fishermen's Protective Act of 1967 (22 U.S.C. 1971) is amended by adding at the end thereof the following new sentence: "Notwithstanding any other law, the documentation or certification of any such vessel shall not be considered to be affected, for the purposes of this Act, in any manner or to any extent if at any time during any voyage for the purpose of fishing beyond the fishery conservation zone (as defined in section 3(8) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1802(8)), the vessel is commanded by other than a citizen of the United States.".

(b) The amendment made by subsection (a) shall take effect January 1, 1978.

Effective date. 22 USC 1971 note.

Approved October 28, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1031, Parts I and II (Comm. on Merchant Marine and Fisheries. and Comm. on Science and Technology).

CONGRESSIONAL RECORD, Vol. 124 (1978):

Sept. 25, considered and passed House.

Oct. 13, considered and passed Senate, amended.

Oct. 14, House concurred in Senate amendment.

Public Law 95-542
95th Congress

An Act

Oct. 28, 1978
[H.R. 11671]

To designate a certain Federal building in Big Stone Gap, Virginia, the "C. Bascom Slemp Building".

C. Bascom Slemp Building, Va. Designation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal building located at 322 East Wood Avenue in Big Stone Gap, Virginia, is hereby designated as the "C. Bascom Slemp Building". Any reference in any law, regulation, document, record, map or other paper of the United States to such building shall be considered to be a reference to the C. Bascom Slemp Building.

Approved October 28, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1469 (Comm. on Public Works and Transportation).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 18, considered and passed House.
Oct. 15, considered and passed Senate.

Public Law 95-543
95th Congress

An Act

To designate a building in Pittsburg, Kansas, as the "Joe Skubitz Social Security Administration Center".

Oct. 28, 1978
[H.R. 12634]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Social Security Administration District Office Building located at the intersection of South Broadway and East Adams Streets, in Pittsburg, Kansas, shall hereafter be known and designated as the "Joe Skubitz Social Security Administration Center". Any reference in a law, map, regulation, document, record, or other paper of the United States to such building shall be held to be a reference to the Joe Skubitz Social Security Administration Center.

Joe Skubitz Social Security Administration Center, Kans. Designation.

SEC. 2. This Act shall take effect on January 4, 1979.

Effective date.

Approved October 28, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1467 (Comm. on Public Works and Transportation).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 18, considered and passed House.
Oct. 15, considered and passed Senate.

Public Law 95-544
95th Congress

An Act

Oct. 28, 1978
[H.R. 13187]

To designate the United States Post Office and Federal Building in Griffin, Georgia, the "John J. Flynt, Jr. Federal Building".

John J. Flynt, Jr., Federal Building, Ga.
Designation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Post Office and Federal building located in Griffin, Georgia, is hereby designated as the "John J. Flynt, Jr. Federal Building". Any reference in any law, regulation, document, record, map, or other paper of the United States to such building shall be considered to be a reference to the "John J. Flynt, Jr. Federal Building".

Effective date.

SEC. 2. This Act shall take effect on January 4, 1979.

Approved October 28, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1470 (Comm. on Public Works and Transportation).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 18, considered and passed House.
Oct. 15, considered and passed Senate.

Public Law 95-545
95th Congress

An Act

To name a certain Federal building in Shreveport, Louisiana, the "Joe Waggonner Federal Building".

Oct. 28, 1978
[H.R. 13514]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal building located at 500 Fannin Street in Shreveport, Louisiana, is hereby designated as the "Joe Waggonner Federal Building". Any reference in any law, regulation, document, record, map, or other paper of the United States to such building shall be considered to be a reference to the Joe Waggonner Federal Building.

Joe Waggonner Federal Building, La. Designation.

SEC. 2. This Act shall take effect on January 4, 1979.

Effective date.

Approved October 28, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1472 (Comm. on Public Works and Transportation).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 18, considered and passed House.
Oct. 15, considered and passed Senate.

Public Law 95-546
95th Congress

An Act

Oct. 28, 1978
[H.R. 13972]

To designate the Great Bear Wilderness, Flathead National Forest, and enlarge the Bob Marshall Wilderness, Flathead and Lewis and Clark National Forests, State of Montana.

Great Bear Wilderness, Mont. Designation.
16 USC 1132 note.
16 USC 1131 note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in furtherance of the purposes of the Wilderness Act (78 Stat. 890), the area generally depicted on a map entitled "Great Bear Wilderness (Proposed)—Bob Marshall Wilderness Addition", dated October 1978, which is on file and available for public inspection in the Office of the Chief, Forest Service, United States Department of Agriculture, is hereby designated as the Great Bear Wilderness (approximately two hundred eighty-five thousand, seven hundred seventy-one acres) within and as part of the Flathead National Forest, Montana, and enlarges the Bob Marshall Wilderness with an area comprising approximately sixty thousand acres within and as part of the Lewis and Clark National Forest, Montana.

Map and description, filing with congressional committees.

SEC. 2. As soon as practicable after this Act takes effect, the Secretary of Agriculture shall file a map and a legal description of the Great Bear Wilderness and Bob Marshall Wilderness Addition with the Energy and Natural Resources Committee, United States Senate, and the Interior and Insular Affairs Committee, House of Representatives, and such description shall have the same force and effect as if included in this Act: *Provided, however*, That correction of clerical and topographical errors in such legal description and map may be made.

Administration.

SEC. 3. The Great Bear Wilderness and Bob Marshall Addition shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act.

Approved October 28, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1616 (Comm. on Interior and Insular Affairs).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 3, considered and passed House.
Oct. 6, considered and passed Senate, amended.
Oct. 14, House concurred in Senate amendments.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 44:
Oct. 30, Presidential statement.

Public Law 95-547
95th Congress

An Act

To amend section 1445(b) of the Food and Agriculture Act of 1977 to modify the formula for distribution of funds authorized thereunder for agricultural research.

Oct. 28, 1978
[H.R. 13989]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1445(b) of the Food and Agriculture Act of 1977 is amended to read as follows:

Food and Agriculture Act of 1977, amendment.
7 USC 3222.
Agricultural research, distribution of funds. Formula modification.

"(b) Beginning with the fiscal year ending September 30, 1979, the funds appropriated in each fiscal year under this section shall be distributed as follows:

"(1) Three per centum shall be available to the Secretary for administration of this section.

"(2) The remainder shall be allotted among the eligible institutions as follows:

"(A) Funds up to the total amount made available to all eligible institutions in the fiscal year ending September 30, 1978, under section 2 of the Act of August 4, 1965 (79 Stat. 431; 7 U.S.C. 450i), shall be allocated among the eligible institutions in the same proportion as funds made available under section 2 of the Act of August 4, 1965, for the fiscal year ending September 30, 1978, are allocated among the eligible institutions.

"(B) Of funds in excess of the amount allocated under subparagraph (A) of this paragraph, 20 per centum shall be allotted among eligible institutions in equal proportions; 40 per centum shall be allotted among the eligible institutions in the proportion that the rural population of the State in which each eligible institution is located bears to the total rural population of all the States in which eligible institutions are located, as determined by the last preceding decennial census; and the balance shall be allotted among the eligible institutions in the proportion that the farm population of the State in which each eligible institution is located bears to the total farm population of all the States in which the eligible institutions are located, as determined by the last preceding decennial census. In computing the distribution of funds allocated under this subparagraph, the allotments to Tuskegee Institute and Alabama Agricultural and Mechanical University shall be determined as if each institution were in a separate State.".

Approved October 28, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1619 (Comm. on Agriculture).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 2, considered and passed House.
Oct. 13, considered and passed Senate.

Public Law 95-548
95th Congress

An Act

Oct. 30, 1978
[S. 3112]

To amend the Act of October 19, 1965, to provide additional authorization for the Library of Congress James Madison Memorial Building.

Library of Congress James Madison Memorial Building.
Additional authorization.
2 USC 141 note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the joint resolution entitled "Joint resolution to authorize the Architect of the Capitol to construct the third Library of Congress building in square numbered 732 in the District of Columbia to be named the James Madison Memorial Building and to contain a Madison Memorial Hall, and for other purposes", approved October 19, 1965 (79 Stat. 986; Public Law 89-260), is amended by striking out "$123,000,000" and inserting in lieu thereof "$130,675,000".

Approved October 30, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1168 accompanying H.R. 12342 (Comm. on Public Works and Transportation).

SENATE REPORT No. 95-906 (Comm. on Rules and Administration).

CONGRESSIONAL RECORD, Vol. 124 (1978):

June 5, 13, considered and passed Senate.

Oct. 14, considered and passed House, amended in lieu of H.R. 12342.

Oct. 15, Senate concurred in House amendment.

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Public Law 95-549
95th Congress

An Act

To amend the Immigration and Nationality Act to exclude from admission into, and to deport from, the United States all aliens who persecuted any person on the basis of race, religion, national origin, or political opinion, under the direction of the Nazi government of Germany, and for other purposes.

Oct. 30, 1978
[H.R. 12509]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Immigration and Nationality Act, amendment.

TITLE I

SEC. 101. (a) Section 212(a) of the Immigration and Nationality Act (8 U.S.C. 1182(a)), relating to general classes of aliens ineligible to receive visas and excluded from admission, is amended—

(1) by striking out the period at the end of paragraph (32) and inserting in lieu thereof a semicolon; and

(2) by adding immediately after paragraph (32) the following new paragraph:

"(33) Any alien who during the period beginning on March 23, 1933, and ending on May 8, 1945, under the direction of, or in association with—

"(A) the Nazi government in Germany,

"(B) any government in any area occupied by the military forces of the Nazi government of Germany,

"(C) any government established with the assistance or cooperation of the Nazi government of Germany, or

"(D) any government which was an ally of the Nazi government of Germany,

ordered, incited, assisted, or otherwise participated in the persecution of any person because of race, religion, national origin, or political opinion.".

SEC. 102. Section 212(d)(3) of such Act (8 U.S.C. 1182(d)(3)), relating to waiver of exclusions for certain non-immigrants, is amended by striking out "(27) and (29)" and inserting in lieu thereof "(27), (29), and (33)" each place it appears.

SEC. 103. Section 241(a) of the Immigration and Nationality Act (8 U.S.C. 1251(a)), relating to general classes of deportable aliens, is amended—

(1) by striking out "or" at the end of paragraph (17);

(2) by striking out the period at the end of paragraph (18) and inserting in lieu thereof "; or"; and

(3) by adding immediately after paragraph (18) the following new paragraph:

"(19) during the period beginning on March 23, 1933, and ending on May 8, 1945, under the direction of, or in association with—

"(A) the Nazi government of Germany,

"(B) any government in any area occupied by the military forces of the Nazi government of Germany,

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"(C) any government established with the assistance or cooperation of the Nazi government of Germany, or

"(D) any government which was an ally of the Nazi government of Germany,

ordered, incited, assisted, or otherwise participated in the persecution of any person because of race, religion, national origin, or political opinion.".

SEC. 104. Section 243(h) of the Immigration and Nationality Act (8 U.S.C. 1253(h)), relating to withholding of deportation, is amended by inserting "(other than an alien described in section 241(a)(19))" after "The Attorney General is authorized to withhold deportation of any alien".

SEC. 105. Section 244(e) of the Immigration and Nationality Act (8 U.S.C. 1254(e)), relating to voluntary departure of aliens under deportation proceedings, is amended by striking out "or (18)" and inserting in lieu thereof "(18), or (19)".

TITLE II

22 USC 2601 note.

SEC. 201. Section 2(b) of the Indochina Migration and Refugee Assistance Act of 1975 is amended to read as follows:

"None of the funds authorized to be appropriated by subsection (a) may be available for obligation after September 30, 1979.".

Effective date. 22 USC 2601 note.

SEC. 202. The amendments made by this title shall take effect on October 1, 1978.

Approved October 30, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1452 (Comm. on the Judiciary).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 26, considered and passed House.
Oct. 10, considered and passed Senate, amended.
Oct. 13, House concurred in Senate amendment.

Public Law 95-550
95th Congress

An Act

To provide for conveyance of certain lands near Dixon, New Mexico, to the University of New Mexico.

Oct. 30, 1978
[S. 1403]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subject to the conditions and limitations specified in this Act, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized and directed to convey at fair market value to the University of New Mexico all right, title, and interest of the United States in the following described land comprising approximately one hundred and ten acres:

University of New Mexico. Land conveyance.

Southeast quarter of the southwest quarter; south half of the northeast quarter of the southwest quarter; southwest quarter of the southeast quarter; and the southwest quarter of the northwest quarter of the southeast quarter, section 29, township 23 north, range 11 east, New Mexico principal meridian.

SEC. 2. Conveyance under this Act shall be made only (a) upon the University of New Mexico providing satisfactory assurances to the Secretary that no valid mining claims exist on the described lands, other than the patented mining claims of Doctor Arthur Montgomery; and (b) upon the condition that the described land shall be held and used by the University of New Mexico and shall not be conveyed by the university, and the minerals thereunder shall not be mined and sold in commercial quantities: *Provided*, That if the Secretary of the Interior determines that mining of the minerals contained in the described lands is necessary for the security of the United States, the University of New Mexico shall lease the lands for mining to such person as may be designated by the Secretary under the terms of a lease to be prepared by the Secretary, with any royalties to be paid to the United States. The patent conveying the lands to the University of New Mexico shall contain such provision.

SEC. 3. No conveyance shall be made unless application for conveyance is filed by the university with the Secretary within six months of the date of approval of this Act.

SEC. 4. The Secretary may in his discretion require that he be furnished a perimeter survey of the described lands. All costs of obtaining such survey and any costs of supplying the Secretary with the proof that no valid unpatented mining claims exist on the property, shall be borne by the university.

Perimeter survey.

SEC. 5. No conveyance shall be made under this Act until the university has shown to the satisfaction of the Secretary that all right, title, and interest of Doctor Arthur Montgomery to unpatented mining claims and the existing patented mining claim in the above described lands have been conveyed to the University of New Mexico.

Approved October 30, 1978.

LEGISLATIVE HISTORY:

SENATE REPORT No. 95-1301 (Comm. on Energy and Natural Resources).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 13, considered and passed Senate.
Oct. 14, considered and passed House.

Public Law 95-551
95th Congress

An Act

To amend title 10, United States Code, to modernize the permanent faculty structure at the United States Military Academy, and for other purposes.

Oct. 30, 1978
[H.R. 13416]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4331 of title 10, United States Code, is amended to read as follows:

U.S. Military Academy, N.Y. Permanent faculty structure, modernization.

"§ 4331. Establishment; Superintendent; faculty

"(a) There is in the Department of the Army a United States Military Academy, at West Point, New York, in this chapter called the 'Academy', for the instruction and preparation for military service of selected persons called 'cadets'. The organization of the Academy shall be prescribed by the Secretary of the Army.

"(b) There shall be at the Academy the following:

"(1) A Superintendent.

"(2) A Dean of the Academic Board, who is a permanent professor.

"(3) A Commandant of Cadets.

"(4) Twenty-two permanent professors.

"(5) A chaplain.

"(6) A director of admissions.".

SEC. 2. Sections 3075(b)(2), 3204(2), 3205(a)(3), 3283(a), 3296(a), 3883, 3886, 4333 (c) and (d), 4334(d), and 4336 (b) and (c) of title 10, United States Code, are each amended by striking out "registrar" each place it appears in such sections and inserting in lieu thereof "director of admissions".

SEC. 3. (a) Section 4338 of title 10, United States Code, is repealed.

(b) (1) Section 207 of title 37, United States Code, is amended by striking out subsection (b) and redesignating subsections (c), (d), (e), and (f) as subsections (b), (c), (d), and (e), respectively.

(2) Section 424 of such title is amended by striking out subsection (b) and redesignating subsections (c), (d), (e), and (f) as subsections (b), (c), (d), and (e), respectively.

SEC. 4. (a) The section heading of section 4336 of title 10, United States Code, is amended to read as follows:

"§ 4336. Permanent professors; director of admissions".

(b) The table of sections at the beginning of chapter 403 of such title is amended—

(1) by striking out the item relating to section 4331 and inserting in lieu thereof the following:

"4331. Establishment; Superintendent; faculty.";

(2) by striking out the item relating to section 4336 and inserting in lieu thereof the following:

"4336. Permanent professors; director of admissions.";

and

(3) by striking out the item relating to section 4338.

Approved October 30, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1657 (Comm. on Armed Services).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 2, considered and passed House.
Oct. 14, considered and passed Senate.

Public Law 95-552
95th Congress

An Act

To increase the price of migratory-bird hunting and conservation stamps and to provide for consultation by the Secretary of the Interior with State and local authorities before migratory bird areas are recommended for purchase or rental, and for other purposes.

Oct. 30, 1978
[H.R. 13372]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of such Act of March 16, 1934 (16 U.S.C. 718b) is amended—

Migratory-bird hunting and conservation stamps, price increase.

(1) by inserting "(a)" immediately before the first word thereof;

(2) by striking out "For each such stamp sold under the provisions of this section" in the third sentence and inserting in lieu thereof "Except as provided in subsection (b), for each stamp sold under the provisions of this section for any hunting year"; and

(3) by adding at the end thereof the following new subsection:

"(b) The Postal Service shall collect $7.50 for each stamp sold under the provisions of this section for any hunting year if the Secretary of the Interior determines, at any time before February 1 of the calendar year in which such hunting year begins, that all sums in the migratory bird conservation fund attributable to—

"(1) amounts appropriated pursuant to the Act for the fiscal year ending in the immediately preceding calendar year; and

"(2) the sale of stamps under this section during such fiscal year have been obligated for expenditure. For purposes of this section, the term 'hunting year' means the 12-month period beginning on July 1 of any such year.".

Areas for rental or purchase, consultation.

SEC. 2. Section 4 of the Migratory Bird Conservation Act (16 U.S.C. 715c) is amended to read as follows:

"SEC. 4. The Secretary of the Interior may not recommend any area for purchase or rental under the terms of this Act unless the Secretary of the Interior—

"(1) has determined that such area is necessary for the conservation of migratory birds; and

"(2) has consulted with the county or other unit of local government in which such area is located and with the Governor of the State concerned or the appropriate State agency.".

Approved October 30, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1518 (Comm. on Merchant Marine and Fisheries).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 25, considered and passed House.
Oct. 6, considered and passed Senate, amended.
Oct. 14, House concurred in Senate amendments.

Public Law 95-553
95th Congress

An Act

Oct. 30, 1978
[S. 3551]

To make technical corrections in the North Pacific Fisheries Act of 1954.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the North Pacific Fisheries Act of 1954 (16 U.S.C. 1021 et seq.) is amended as follows:

16 USC 1030.

(1) Paragraph (2) of subsection (b) of section 11 is amended by striking out the word "subsection"; and

16 USC 1034.

(2) Paragraph (3) of subsection (a) of section 14 is amended by striking out the period and inserting in lieu thereof a semicolon.

Approved October 30, 1978.

LEGISLATIVE HISTORY:

CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 5, considered and passed Senate.
Oct. 14, considered and passed House.

Public Law 95-554
95th Congress

An Act

To further amend the Mineral Leasing Act of 1920 (30 U.S.C. 201(a)), to authorize the Secretary of the Interior to exchange Federal coal leases and to encourage recovery of certain coal deposits, and for other purposes.

Oct. 30, 1978
[S. 3189]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any provision of law to the contrary and notwithstanding the provisions of section 2(a)(1) of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 201(a)(1)), the Secretary of the Interior is authorized to issue leases for coal on other Federal lands in the State of Utah to the lease applicant named in preference right lease applications serial numbers U1362, U1363, U1375, U5233, U5234, U5235, U5236, and U5237 upon surrender and relinquishment by the applicant of such preference right lease applications and all right to lease the lands covered by such applications, such surrender and relinquishment to be made in exchange for the lease or leases to be issued by the Secretary.

Mineral Leasing Act of 1920, amendment. Coal lease authorizations.

(b) Notwithstanding any provision of law to the contrary and notwithstanding the provisions of section 2(a)(1) of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 201(a)(1)), the Secretary of the Interior is authorized to issue leases for coal on other Federal lands in the State of Wyoming to the owner or owners of Federal coal leases serial numbers W0313666, W0111833, W073289, W0312311, and W0313668, B025369, W0256663, W5035, W0322794 covering lands in the State of Wyoming upon the surrender and relinquishment of such leases or portions thereof.

(c) The leases to be issued by the Secretary pursuant to the authority granted by subsections (a) and (b) of this Act and the leases or portions thereof or rights to leases to be exchanged therefor shall be of equal value. If such leases or portions thereof or rights to leases are not of equal value, the Secretary is authorized to receive, or pay out of funds available for that purpose, cash in an amount up to 25 per centum of the value of the coal lease or leases to be issued by the Secretary in order to equalize the value of the lease or lease rights to be exchanged.

(d) Any exchange lease issued by the Secretary under the authority of this Act shall contain the same terms and conditions as those leases surrendered, or in case of a surrendered lease right, the same terms and conditions as those to which the lease applicant would be entitled.

(e) This subsection does not require or obligate the Secretary to take any action or to make any commitment to a lessee or lease applicant with respect to issuance, administration, or development of any lease.

SEC. 2. Section 2(a)(1) of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 201(a)(1)), is further amended by striking the period at the end of the first sentence and inserting in lieu thereof the following: ": *Provided*, That notwithstanding the competitive bidding requirement of this section, the Secretary may, subject to such conditions which he deems appropriate, negotiate the sale at fair market value of coal the removal of which is necessary and incidental to the

exercise of a right-of-way permit issued pursuant to title V of the Federal Land Policy and Management Act of 1976.".

SEC. 3. Section 3 of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 203), is further amended by adding after the word "contiguous", the words "or cornering", and by deleting the period at the end of the second sentence thereof and adding the following clause: "except that nothing in this section shall require the Secretary to apply the production or mining plan requirements of section 2(d)(2) and 7(c) of this Act (30 U.S.C. 201(d)(2) and 207(c)). The minimum royalty provisions of section 7(a) of this Act (30 U.S.C. 207(a)) shall not apply to any lands covered by this modified lease prior to a modification until the term of the original lease or extension thereof which became effective prior to the effective date of this Act has expired.".

30 USC 202a.

SEC. 4. Section 37 of the Mineral Leasing Act of 1920 (30 U.S.C. 193) is further amended by the addition of the words "except as provided in sections 206 and 209 of the Federal Land Policy and Management Act of 1976 (90 Stat. 2756, 2757–8), and" after "only in the form and manner provided in this Act," and before the word "except".

SEC. 5. Section 30 of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 187) is further amended by striking the word "boy" and inserting in lieu thereof "child" and by striking the phrase "or the employment of any girl or woman, without regard to age,".

Evaluation and review.

SEC. 6. (a) The Secretary of the Interior is authorized and directed within nine months of the date of enactment of this Act to evaluate and review the scenic, recreational, fish and wildlife, cultural, historic, and other public values of the reservoir in Johnson County, Wyoming, known as Lake DeSmet and the adjoining and adjacent coal properties. The Secretary's review and evaluation shall be for the purpose of determining whether the Lake DeSmet property shall be acquired for public use and enjoyment by exchange for Federal coal lands.

Acquisition authorization.

(b) If the Secretary determines that the Lake DeSmet property shall be acquired, he is authorized, with the agreement of the owners of the property, to acquire the Lake DeSmet property by exchanging Federal coal lands, interests in Federal coal lands, or Federal coal leases.

Exchanges.

(c) The exchange authorized by this section shall be for equal value. To the extent, if any, the value of the lands or interests exchanged are not equal the difference may be adjusted by the payment of money so long as the payment does not exceed 25 per centum of the total value of the lands or interests transferred out of Federal ownership. In determining the value of the Lake DeSmet property, the Secretary is authorized and directed to include the fair market value of the property, considering the acquisition cost of the lands, the value of the coal deposits, water rights and water resource developments, and capital and other appropriate improvements. The exchange of such properties shall be carried out expeditiously in accordance with the provisions of this section and other Federal land exchange authority to the extent such authority is applicable and consistent with this section.

(d) The Secretary is authorized to transfer any property acquired pursuant to this section (1) to the appropriate agency in the Department of the Interior for management and administration, or (2) to the State of Wyoming for recreational purposes and fish and wildlife management. Any conveyance to the State of Wyoming shall contain a reservation of all minerals to the United States and shall provide that, if the State ceases to use the property conveyed for fish propagation and wildlife management, title to such property shall revert to the United States.

SEC. 7. Effective October 1, 1979, there are authorized to be appropriated to the Secretary such sums as are necessary to carry out the purposes of this Act. Appropriation authorization.

SEC. 8. The title of the Federal Coal Leasing Amendments Act of 1975 (Public Law 94-377) is hereby changed to the Federal Coal Leasing Amendments Act of 1976. Short title. 30 USC 181 note.

Approved October 30, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1635 accompanying H.R. 13553 (Comm. on Interior and Insular Affairs).
SENATE REPORT No. 95-1169 (Comm. on Energy and Natural Resources).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 20, considered and passed Senate.
Oct. 3, H.R. 13553 considered and passed House; passage vacated, and S. 3189, amended, passed in lieu.
Oct. 13, Senate concurred in House amendment.

Public Law 95-555
95th Congress

An Act

Oct. 31, 1978
[S. 995]

To amend title VII of the Civil Rights Act of 1964 to prohibit sex discrimination on the basis of pregnancy.

Pregnancy, sex discrimination, prohibition.
42 USC 2000e.
Definitions

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 701 of the Civil Rights Act of 1964 is amended by adding at the end thereof the following new subsection:

"(k) The terms 'because of sex' or 'on the basis of sex' include, but are not limited to, because of or on the basis of pregnancy, childbirth, or related medical conditions; and women affected by pregnancy, childbirth, or related medical conditions shall be treated the same for all employment-related purposes, including receipt of benefits under fringe benefit programs, as other persons not so affected but similar in their ability or inability to work, and nothing in section 703(h) of this title shall be interpreted to permit otherwise. This subsection shall not require an employer to pay for health insurance benefits for abortion, except where the life of the mother would be endangered if the fetus were carried to term, or except where medical complications have arisen from an abortion: *Provided*, That nothing herein shall preclude an employer from providing abortion benefits or otherwise affect bargaining agreements in regard to abortion.".

42 USC 2000e-2.

Effective date.
42 USC 2000e note.

SEC. 2. (a) Except as provided in subsection (b), the amendment made by this Act shall be effective on the date of enactment.

(b) The provisions of the amendment made by the first section of this Act shall not apply to any fringe benefit program or fund, or insurance program which is in effect on the date of enactment of this Act until 180 days after enactment of this Act.

42 USC 2000e note.

SEC. 3. Until the expiration of a period of one year from the date of enactment of this Act or, if there is an applicable collective-bargaining agreement in effect on the date of enactment of this Act, until the termination of that agreement, no person who, on the date of enactment of this Act is providing either by direct payment or by

making contributions to a fringe benefit fund or insurance program, benefits in violation with this Act shall, in order to come into compliance with this Act, reduce the benefits or the compensation provided any employee on the date of enactment of this Act, either directly or by failing to provide sufficient contributions to a fringe benefit fund or insurance program: *Provided*, That where the costs of such benefits on the date of enactment of this Act are apportioned between employers and employees, the payments or contributions required to comply with this Act may be made by employers and employees in the same proportion: *And provided further*, That nothing in this section shall prevent the readjustment of benefits or compensation for reasons unrelated to compliance with this Act.

Approved October 31, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-948 accompanying H.R. 6075 (Comm. on Education and Labor) and No. 95-1786 (Comm. of Conference).
SENATE REPORT No. 95-331 (Comm. on Human Resources).
CONGRESSIONAL RECORD:
Vol. 123 (1977): Sept. 15, 16, considered and passed Senate.
Vol. 124 (1978): July 18, H.R. 6075 considered and passed House; proceedings vacated and S. 995, amended, passed in lieu.
Oct. 13, Senate agreed to conference report.
Oct. 15, House agreed to conference report.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS:
Vol. 14, No. 44 (1978): Oct. 31, Presidential statement.

Public Law 95-556
95th Congress

An Act

Oct. 31, 1978
[H.R. 13702]

To provide that the Territory of American Samoa be represented by a nonvoting Delegate to the United States House of Representatives, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Territory of American Samoa shall be represented in the United States Congress by a nonvoting Delegate to the House of Representatives, elected as hereinafter provided.

Territory of American Somoa.
Nonvoting Delegate to U.S. House of Representatives.
48 USC 1731.

SEC. 2. (a) The Delegate shall be elected by the people qualified to vote for the popularly elected officials of the Territory of American Samoa at the general Federal election of 1980, and thereafter at such general election every second year thereafter. The Delegate shall be elected at large, by separate ballot, and by a majority of the votes cast for the office of Delegate. If no candidate receives such majority, on the fourteenth day following such election a runoff election shall be held between the candidates receiving the highest and the second highest number of votes cast for the office of Delegate. In case of a permanent vacancy in the office of Delegate, by reason of death, resignation, or permanent disability, the office of Delegate shall remain vacant until a successor shall have been elected and qualified.

Election.
48 USC 1732.

Term.

(b) The term of the Delegate shall commence on the third day of January following the date of the election.

Eligibility.
48 USC 1733.

SEC. 3. To be eligible for the office of Delegate a candidate shall—

(a) be at least twenty-five years of age on the date of the election;

(b) have been a United States citizen for at least seven years prior to the date of the election;

(c) be an inhabitant of the Territory of American Samoa; and

(d) not be, on the date of the election, a candidate for any other office.

48 USC 1734.

SEC. 4. Acting pursuant to legislation enacted in accordance with section 9, article II of the American Samoan Revised Constitution, the territorial government will determine the order of names on the ballot for election of Delegate, the method by which a special election to fill a vacancy in the office of Delegate shall be conducted, the method by which ties between candidates for the office of Delegate shall be resolved, and all other matters of local application pertaining to the election and the office of Delegate not otherwise expressly provided for herein.

Compensation.
48 USC 1735.

SEC. 5. Until the Rules of the House of Representatives are amended to provide otherwise, the Delegate from American Samoa shall receive the same compensation, allowances, and benefits as a Member of the House of Representatives, and shall be entitled to whatever privileges

and immunities that are, or hereinafter may be, granted to the non-voting Delegate from the Territory of Guam: *Provided*, That the clerk hire allowance for the Delegate from American Samoa shall be a single per annum gross rate that is 50 per centum of the clerk hire allowance of a Member of the House of Representatives.

Approved October 31, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1458 (Comm. on Interior and Insular Affairs).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 3, considered and passed House.
Oct. 13, considered and passed Senate.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 44:
Oct. 31, Presidential statement.

Public Law 95-557
95th Congress

An Act

Oct. 31, 1978
[S. 3084]

To amend and extend certain Federal laws relating to housing, community, and neighborhood development and preservation, and related programs, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Housing and Community Development Amendments of 1978.
42 USC 5301 note.

SHORT TITLE

SECTION 1. This Act may be cited as the "Housing and Community Development Amendments of 1978".

TITLE I—COMMUNITY AND NEIGHBORHOOD DEVELOPMENT AND CONSERVATION

REHABILITATION LOANS AND LOAN INSURANCE

42 USC 1452b.

SEC. 101. (a) Section 312 of the Housing Act of 1964 is amended—

(1) by striking out the undesignated paragraph which follows subsection (a)(3) and inserting in lieu thereof the following new undesignated paragraph:

"The Secretary shall, in making loans under this section, give priority to applications by low- and moderate-income persons who own the property to be rehabilitated and will occupy such property upon completion of the rehabilitation, including applications by condominiums and cooperatives in which the residents are principally of low and moderate income. For the purpose of the preceding sentence, the term 'low and moderate income' means income which does not exceed 95 per centum of the median income for the area.";

(2) by striking out subsection (c)(3) and inserting in lieu thereof the following:

Interest rate.

"(3) The loan shall bear interest at such rate as the Secretary determines to be appropriate, but not to exceed 3 per centum per annum for loans to families with adjusted incomes of not more than 80 per centum of the median income for the area. For loans to families with adjusted incomes above 80 per centum of the median income for the area, as determined by the Secretary, the Secretary may establish interest rates based on adjusted family income, ranging from above 3 per centum to a rate determined by the Secretary, but in no case may any such rate exceed the current average market yield on outstanding marketable securities of the United States with remaining periods to maturity comparable to the terms of loans made pursuant to this section, adjusted to the nearest one-eighth of 1 per centum. The Secretary may prescribe such other charges adequate in the judgment of the Secretary to cover administrative costs and possible losses under the program.";

(3) by inserting the following before the semicolon at the end of subsection (c)(4)(A): ", or if such refinancing is deemed necessary by the Secretary to minimize displacement of existing tenants of a multifamily property";

(4) by striking out "$50,000" in subsection (c)(4)(B) and inserting in lieu thereof "$100,000";

(5) by striking out "and not to exceed $60,000,000 for the fiscal year beginning on October 1, 1977" in subsection (d) and inserting in lieu thereof "not to exceed $60,000,000 for the fiscal year beginning on October 1, 1977, and not to exceed $245,000,000 for the fiscal year beginning on October 1, 1978";

(6) by adding at the end of subsection (d) the following: "Of the amounts available for loans under this section during the fiscal year beginning October 1, 1978, the Secretary may utilize not more than $60,000,000 for rehabilitation loans for multifamily properties."; and

(7) by adding at the end thereof the following new subsection:

"(i) The Secretary may not, after 270 days following the date of the enactment of this subsection, make any loan under this section with respect to any property unless the Secretary has determined that the improvements to such property, upon completion of the rehabilitation, will meet cost-effective energy conservation standards prescribed by the Secretary.".

(b) Section 312 of such Act is amended by adding at the end thereof the following: 42 USC 1452b.

"(i) Rehabilitation loans under this section for multifamily properties shall be subject to the following additional limitations and conditions:

"(1) The property must meet the requirements of subsection (a) and—

"(A) be located in a low- or moderate-income neighborhood; or

"(B) have a majority of tenants of low and moderate income.

All such loans must be consistent with an overall community development strategy developed pursuant to title I of the Housing and Community Development Act of 1974. 42 USC 5301.

"(2) The property must have fewer than 100 units, except where the Secretary determines that a loan under this section is essential to meet the community development needs of a neighborhood and alternative sources of financing are not available.

"(3) The Secretary shall enter into an agreement with the investor-owner of a multifamily property which is to be rehabilitated with a loan under this section to limit, for a period of at least five years, the increased rent caused by the rehabilitation.

"(4) The Secretary shall minimize involuntary displacement caused by rehabilitation loans under this section with respect to multifamily properties.

"(j) In conjunction with the annual report required under section 113(a) of the Housing and Community Development Act of 1974, the Secretary shall submit to the Congress a report on the rehabilitation loan program under this section. Such report shall include a summary of the use of funds under this section, particularly with regard to the types of neighborhoods and persons aided under this section, and an evaluation of progress made toward community development goals under this section. As soon as feasible, but not later than December 1, 1979, the Secretary shall submit to Congress an interim report evaluating the use of funds under this section for multifamily properties, with legislative recommendations for improving the overall effectiveness of Federal assistance for the rehabilitation of multifamily properties.". Reports to Congress. 42 USC 5313.

(c)(1) Section 203(k) of the National Housing Act is amended to read as follows: 12 USC 1709.

Commitments to insure loans.

"(k) (1) The Secretary may, in order to assist in the rehabilitation of one- to four-family structures used primarily for residential purposes, insure and make commitments to insure rehabilitation loans (including advances made during rehabilitation) made by financial institutions on and after 180 days following the date of the enactment of the Housing and Community Development Amendments of 1978. Such commitments to insure and such insurance shall be made upon such terms and conditions which the Secretary may prescribe and which are consistent with the provisions of subsections (b), (c), (e), (i), and (j) of this section, except as modified by the provisions of this subsection.

Ante, p. 2080.

"(2) For the purpose of this subsection—

"Rehabilitation loan."

"(A) the term 'rehabilitation loan' means a loan, advance of credit, or purchase of an obligation representing a loan or advance of credit, made for the purpose of financing—

"(i) the rehabilitation of an existing one- to four-unit structure which will be used primarily for residential purposes;

"(ii) the rehabilitation of such a structure and the refinancing of the outstanding indebtedness on such structure and the real property on which the structure is located; or

"(iii) the rehabilitation of such a structure and the purchase of the structure and the real property on which it is located; and

"Rehabilitation."

"(B) the term 'rehabilitation' means the improvement (including improvements designed to meet cost-effective energy conservation standards prescribed by the Secretary) or repair of a structure, or facilities in connection with a structure, and may include the provision of such sanitary or other facilities as are required by applicable codes, a community development plan, or a statewide property insurance plan to be provided by the owner or tenant of the project.

Eligibility.

"(3) To be eligible for insurance under this subsection, a rehabilitation loan shall—

"(A) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Secretary shall approve) in an amount which does not exceed, when added to any outstanding indebtedness of the borrower which is secured by the structure and the property on which it is located, the amount specified in subsection (b) (2); except that, in determining the amount of the principal obligation for purposes of this subsection, the Secretary shall establish as the appraised value of the property an amount not to exceed the sum of the estimated cost of rehabilitation and the Secretary's estimate of the value of the property before rehabilitation;

"(B) bear interest at a rate permitted by the Secretary for mortgages insured under this section; except that the Secretary may permit a higher rate of interest to be applied to the loan with respect to the period beginning with the making of the loan and ending with the completion of the rehabilitation or such earlier time as the Secretary may determine;

"(C) be an acceptable risk, as determined by the Secretary; and

"(D) comply with such other terms, conditions, and restrictions as the Secretary may prescribe.

"(4) Any rehabilitation loan insured under this subsection may be refinanced and extended in accordance with such terms and conditions as the Secretary may prescribe, but in no event for an additional

amount or term which exceeds the maximum provided for in this subsection.

"(5) All funds received and all disbursements made pursuant to the authority established by this subsection shall be credited or charged, as appropriate, to the General Insurance Fund, and insurance benefits shall be paid in cash out of such Fund or in debentures executed in the name of such Fund. Insurance benefits paid with respect to loans insured under this subsection shall be paid in accordance with paragraphs (6) and (7) of section 220(h), except that any reference to 'this subsection' in such paragraphs shall be construed as referring to this subsection.". 12 USC 1715k.

(2) Section 203(c) of such Act is amended— 12 USC 1709.

(A) by striking out "subsection (n) is" in the first proviso and inserting in lieu thereof "subsections (n) and (k) are"; and

(B) by inserting "or (k)" after "subsection (n)" the second time it appears in such proviso.

(3) The proviso in the first sentence of section 302(b)(1) of such Act is amended by inserting "or section 203(k)" after "title VIII" in clause (3). 12 USC 1717.

URBAN HOMESTEADING

SEC. 102. (a) Section 810(f) of the Housing and Community Development Act of 1974 is amended— 12 USC 1706e.

(1) by inserting "and the Administrator of Veterans' Affairs" after "Secretary" the first place it appears; and

(2) by inserting "or the Administrator" after "Secretary" the second place it appears.

(b) The first sentence of section 810(g) of such Act is amended—

(1) by striking out "and" immediately following "fiscal year 1977,"; and

(2) by inserting the following before the period at the end thereof: ", and not to exceed $26,000,000 for the fiscal year 1979".

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM AMENDMENTS

SEC. 103. (a) Section 104(a)(4)(A) of the Housing and Community Development Act of 1974 is amended by inserting "owners of homes requiring rehabilitation assistance," after "large families," 42 USC 5304.

(b) Section 104(a)(4)(B)(i) of such Act is amended by inserting "including existing rental and owner occupied dwelling units to be upgraded and thereby preserved," after "existing dwelling units,".

(c) Section 104(a) of such Act is amended by inserting after "expected to reside in the community" in paragraphs (3)(C) and (4)(A) the following: "as a result of existing or projected employment opportunities in the community (and those elderly persons residing in or expected to reside in the community), or as estimated in a community accepted State or regional housing opportunity plan approved by the Secretary,".

(d) Section 104(c) of such Act is amended by adding the following new sentence at the end thereof:

"The Secretary may not disapprove an application on the basis that such application addresses any one of the primary purposes described in paragraph (3) to a greater or lesser degree than any other, except that such application may be disapproved if the Secretary determines that the extent to which a primary purpose is addressed is plainly inappropriate to meeting the needs and objectives which are consistent with the community's efforts to achieve the primary objective of this title.".

Relocation payments.
42 USC 5305.

(e) Section 105(a)(11) of such Act is amended to read as follows:
"(11) relocation payments and assistance for displaced individuals, families, businesses, organizations, and farm operations, when determined by the grantee to be appropriate to the community development program;".

Technical assistance.
42 USC 5307.

(f) The last sentence of section 107(a)(8) of such Act is amended to read as follows: "The Secretary may also provide, directly or through contracts, technical assistance under this paragraph to such governmental units, or to a group designated by such a governmental unit for the purpose of assisting that governmental unit to carry out its Community Development Program.".

42 USC 5318.

(g) Section 119(c) of such Act is amended—
(1) by striking out "and" at the end of clause (4);
(2) by striking out the period at the end of clause (5) and inserting in lieu thereof "; and"; and
(3) by adding at the end thereof the following:
"(6) include a statement analyzing the impact of the proposed urban development action program on the residents, particularly those of low and moderate income, of the residential neighborhood, and on the neighborhood, in which the program is to be located.".

(h) Section 119(e) of such Act is amended by inserting before "and feasibility" the following: "impact of the proposed urban development action program on the residents, particularly those of low and moderate income, of the residential neighborhood, and on the neighborhood, in which the program is to be located;".

(i) Title I of such Act is amended by adding at the end thereof the following new section:

"FAIR PARTICIPATION FOR SMALL COMMUNITIES

42 USC 5319.

"SEC. 120. No community shall be barred from participating in any program authorized under this title solely on the basis of population, except as expressly authorized by statute.".

EFFECTIVE DATE

12 USC 1709 note.

SEC. 104. The amendments made by this title shall become effective October 1, 1978.

TITLE II—HOUSING ASSISTANCE PROGRAMS

OPERATING ASSISTANCE FOR TROUBLED MULTIFAMILY HOUSING PROJECTS

12 USC 1715z-1a.

SEC. 201. (a) The purposes of this section are to provide assistance to restore or maintain the financial soundness, to assist in the improvement of the management, and to maintain the low- to moderate-income character of certain projects assisted or approved for assistance under the National Housing Act or under the Housing and Urban Development Act of 1965.

12 USC 1701.
12 USC 1701 note.

(b) The Secretary of Housing and Urban Development (hereinafter referred to in this section as the "Secretary") may make available, and contract to make available, to such extent and in such amounts as may be approved in appropriation Acts, financial assistance to owners of rental or cooperative housing projects meeting the requirements of this section. Such assistance shall be made on an annual basis and in accordance with the provisions of this section.

(c) a rental or cooperative housing project is eligible for assistance under this section only if such project—

(1)(A) is assisted under section 236 or the proviso of section 221(d)(5) of the National Housing Act, or under section 101 of the Housing and Urban Development Act of 1965; except that, in the case of any such project which is not insured under the National Housing Act such assistance may not be provided before October 1, 1979; or

12 USC 1715z-1, 1715l.
79 Stat. 451.
12 USC 1701.

(B) met the criteria specified in subparagraph (A) of this paragraph before the acquisition of such project by the Secretary and has been sold by the Secretary, subject to a mortgage insured or held by the Secretary and subject to an agreement (in effect during the period of assistance under this section) which provides that the low- and moderate-income character of the project will be maintained; except that, with respect to projects sold after October 1, 1978, assistance shall be available for a period not to exceed three years; and

(2) meets such other requirements consistent with the purposes of this section as the Secretary may prescribe.

(d) No assistance may be made available under this section unless the Secretary has determined that—

(1) such assistance, when considered with other resources available to the project, is necessary and, in the determination of the Secretary, will restore or maintain the financial soundness of the project and maintain the low- and moderate-income character of the project;

(2) the assistance which could reasonably be expected to be provided over the useful life of the project will be less costly to the Federal Government than other reasonable alternatives by which the Secretary could maintain the low- and moderate-income character of the project;

(3) the owner of the project, together with the mortgagee in the case of a project not insured under the National Housing Act, has provided or has agreed to provide assistance to the project in such manner as the Secretary may determine;

(4) the project is or can reasonably be made structurally sound, as determined on the basis of information obtained as a result of an onsite inspection of the project;

(5) the management of the project is being conducted by persons who meet minimum levels of competency and experience prescribed by the Secretary; and

(6) the project is being operated and managed in accordance with a management-improvement-and-operating plan which is designed to reduce the operating costs of the project, which has been approved by the Secretary, and which includes the following: (A) a detailed maintenance schedule; (B) a schedule for correcting past deficiencies in maintenance, repairs, and replacements; (C) a plan to upgrade the project to meet cost-effective energy efficiency standards prescribed by the Secretary; (D) a plan to improve financial and management control systems; (E) a detailed annual operating budget taking into account such standards for operating costs in the area as may be determined by the Secretary; and (F) such other requirements as the Secretary may determine.

(e) Prior to making assistance available to a project, the Secretary shall consult with the appropriate officials of the unit of local government in which such project is located and seek assurances that— Consultation.

(1) the community in which the project is located is or will provide essential services to the project in keeping with the community's general level of such services;

(2) the real estate taxes on the project are or will be no greater than would be the case if the property were assessed in a manner consistent with normal property assessment procedures for the community; and

(3) assistance to the project under this section would not be inconsistent with local plans and priorities.

(f)(1) The Secretary may, with respect to any year, provide assistance under this section, and make commitments to provide such assistance, with respect to any project in any amount which the Secretary determines is consistent with the project's management-improvement-and-operating plan described in subsection (d)(6) and which does not exceed the sum of—

(A) an amount determined by the Secretary to be necessary to correct deficiencies in the project which exist at the beginning of the first year with respect to which assistance is made available for the project under this section, which were caused by the deferral of regularly scheduled maintenance and repairs or the failure to make necessary and timely replacements of equipment and other components of the project, and for which payment has not previously been made;

(B) an amount determined by the Secretary to be necessary to maintain the low- and moderate-income character of the project by reducing deficiencies, which exist at the beginning of the first year with respect to which assistance is made available for the project under this section and for which payment has not previously been made, in the reserve funds established by the project owner for the purpose of replacing capital items; and

(C) an amount not greater than the amount by which the estimated operating expenses (as described in paragraph (2) of this subsection) for the year with respect to which such assistance is made available exceeds the estimated revenues to be received (as described in paragraph (2) of this subsection) by the project during such year.

(2) The estimated revenues for any project under paragraph (1)(C) of this subsection with respect to any year shall be equal to the sum of—

(A) the estimated amount of rent which is to be expended by the tenants of such project during such year, as determined by the Secretary without regard to section 236(f)(1) of the National Housing Act;

12 USC 1715z-1.

(B) the estimated amount of rental assistance payments to be made on behalf of such tenants during such year, other than assistance made under this section;

(C) the estimated amount of assistance payments to be made on behalf of the owner of such project under section 221(d)(5) or section 236 of the National Housing Act during such year; and

12 USC 1715l, 1715z-1.

(D) other income attributable to the project as determined by the Secretary;

except that—

(E) in computing the estimated amount of rent to be expended by tenants, the Secretary shall provide that (i) at least 25 percent (or such lesser percentage as is provided for under any other Federal housing assistance program in which such tenant is participating) of the income of each such tenant is included, or (ii) in the case of a tenant paying his or her own utilities, a percentage of income which is less than 25 percent and which takes into account the reasonable costs of such utilities; except that no amount shall be provided for any tenant under clause (i) or (ii)

which exceeds the fair market rental charge as determined pursuant to section 236(f)(1) of the National Housing Act for such tenant; and 12 USC 1715z-1.

(F) in computing the estimated amount of rent to be expended by tenants and the estimated amount of rental assistance payments to be made on behalf of such tenants, the Secretary may permit a delinquency-and-vacancy allowance of not more than 6 per centum of the estimated amount of such rent and payments computed without regard to such allowance; except that, with respect to the first three years in which assistance is provided to a project under this section, the Secretary may permit such allowance for such project to exceed such 6 percent by an amount which the Secretary determines is appropriate to carry out the purposes of this section.

Estimated operated expenses, computation.

For purposes of computing estimated operating expenses of any such project with respect to any year, the Secretary shall include all estimated operating costs which the Secretary determines to be necessary and consistent with the management-improvement-and-operating plan for the project for such year, including, but not limited to, taxes, utilities, maintenance and repairs (except for maintenance and repairs which should have been performed in previous years), management, insurance, debt service, and payments made by the owner for the purpose of establishing or maintaining a reserve fund for replacement costs. The Secretary may not include in such estimated operating expenses any return on the equity investment of the owner in such project.

(3) In order to carry out the purposes of this section, the Secretary may, notwithstanding the provisions of section 236(f)(1) of the National Housing Act, provide that, for purposes of establishing a rental charge under such section, there may be excluded from the computation of the cost of operating a project an amount equivalent to the amount of assistance payments made for the project under this section.

Annual assistance payments.

(4) Any assistance payments made pursuant to this section with respect to any project shall be made on an annual basis, payable at such intervals, but at least quarterly, as the Secretary may determine, and may be in any amount (which the Secretary determines to be consistent with the purpose of this section), except that the sum of such assistance payments for any year may not exceed the amount computed pursuant to paragraph (1) of this subsection. The Secretary shall review the operations of the project at the time of such payments to determine that such operations are consistent with the management-improvement-and-operating plan.

Review.

Rules and regulations.

(g) The Secretary is authorized to issue such rules and regulations as may be necessary to carry out the provisions and purposes of this section, including regulations requiring the establishment of a project reserve or such other safeguards as the Secretary determines to be necessary for the financial soundness of any project for which assistance payments are provided.

Appropriation authorization.

(h) There is authorized to be appropriated, for the purpose of providing financial assistance under this section, an amount (in addition to any amount appropriated for use under this section pursuant to section 236(f)(3)(B) of the National Housing Act, not to exceed $74,000,000 for the fiscal year 1979. Any amounts appropriated under this section shall remain available until expended.

Effective date. 12 USC 1715z-1.

(i) Effective October 1, 1978, section 236 of the National Housing Act is amended—

(1) in subsection (f)(3)—

(A) by inserting "(A)" after "(3)";

(B) by striking out "The" in the second sentence and inserting in lieu thereof "For each fiscal year prior to the fiscal year 1979, the"; and

(C) by adding at the end thereof the following:

"(B) The Secretary shall utilize amounts credited to the fund described in subsection (g) on or after October 1, 1978, for the sole purpose of carrying out the purposes of section 201 of the Housing and Community Development Amendments of 1978. No payments may be made from such fund unless approved in an appropriation Act. No amount may be so approved for any fiscal year beginning after September 30, 1979."; and

(2) by striking out the third and fourth sentences of subsection (g).

TENANT PARTICIPATION IN MULTIFAMILY HOUSING PROJECTS

12 USC 1715z-1b.

SEC. 202. (a) The purpose of this section is to recognize the importance and benefits of cooperation and participation of tenants in creating a suitable living environment in multifamily housing projects and in contributing to the successful operation of such projects, including their good physical condition, proper maintenance, security, energy efficiency, and control of operating costs. For the purpose of this section, the term "multifamily housing project" means a project which is eligible for assistance as described in section 201(c) of this Act.

"Multifamily housing project."

(b) The Secretary shall assure that—

(1) where the Secretary's written approval is required with respect to an owner's action and the Secretary deems it appropriate, tenants have adequate notice of, reasonable access to relevant information about, and an opportunity to comment on such actions (and in the case of a project owned by the Secretary, any proposed disposition of the project) and that such comments are taken into consideration by the Secretary;

(2) project owners not interfere with the efforts of tenants to obtain rent subsidies or other public assistance;

(3) leases approved by the Secretary provide that tenants may not be evicted without good cause or without adequate notice of the reasons therefor and do not contain unreasonable terms and conditions; and

(4) project owners do not impede the reasonable efforts of resident tenant organizations to represent their members or the reasonable efforts of tenants to organize.

Regulations.

(c) The Secretary shall promulgate regulations to carry out the provisions of this section not later than 90 days after the date of enactment of this Act.

MANAGEMENT AND PRESERVATION OF HUD-OWNED MULTIFAMILY HOUSING PROJECTS

12 USC 1701z-11.

SEC. 203. (a) It is the policy of the United States that the Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") shall manage and dispose of multifamily housing projects which are owned by the Secretary in a manner consistent with the National Housing Act and this section. The purpose of the property management and disposition program of the Department of Housing and Urban Development shall be to manage and dispose of projects in a manner which will protect the financial interests of the Federal Government and be less costly to the Federal Government

12 USC 1701.

than other reasonable alternatives by which the Secretary can further the goals of—

(1) preserving the housing units so that they can remain available to and affordable by low- and moderate-income families;

(2) preserving and revitalizing residential neighborhoods;

(3) maintaining the existing housing stock in a decent, safe, and sanitary condition;

(4) minimizing the involuntary displacement of tenants; and

(5) minimizing the need to demolish projects.

The Secretary, in determining the manner by which a project shall be managed or disposed of, may balance competing goals relating to individual projects in a manner which will further the achievement of the overall purpose of this section.

(b) The Secretary is authorized, in carrying out this section—

(1) to dispose of a multifamily housing project owned by the Secretary on a negotiated, competitive bid, or other basis, on such terms as the Secretary deems appropriate considering the low- and moderate-income character of the project and the requirements of subsection (a) of this section, to a purchaser determined by the Secretary to be capable of (A) satisfying the conditions of the disposition; (B) implementing a sound financial and physical management program; (C) responding to the needs of the tenants and working cooperatively with resident organizations; (D) providing adequate organizational, staff and financial resources to the project; and (E) meeting such other requirements as the Secretary may determine; and

(2) to contract for management services for a multifamily housing project, owned by the Secretary, on a negotiated, competitive bid, or other basis at a price determined by the Secretary to be reasonable, with a manager the Secretary has determined is capable of (A) implementing a sound financial and physical management program, (B) responding to the needs of the tenants and working cooperatively with resident organizations, (C) providing adequate organizational, staff, and other resources to implement a management program determined by the Secretary, and (D) meeting such other requirements as the Secretary may determine.

(c) Except where the Secretary has determined on a case-by-case basis that it would be clearly inappropriate, given the manner by which an individual project is to be managed or disposed of pursuant to subsection (a) of this section, the Secretary shall seek to—

(1) maintain all occupied multifamily housing projects owned by the Secretary in a decent, safe, and sanitary condition; and

(2) to the greatest extent possible, maintain full occupancy in all multifamily housing projects owned by the Secretary.

(d)(1) Whenever tenants will be displaced as a result of the disposition of, or repairs to, a multifamily housing project owned by the Secretary, the Secretary shall identify tenants who will be displaced, and shall notify all such tenants of their pending displacement and of any relocation assistance which may be available. Tenant displacement, notification.

(2) The Secretary shall seek to assure the maximum opportunity for any such tenant—

(A) to return, whenever possible, to a repaired unit;

(B) to occupy a unit in another multifamily housing project owned by the Secretary;

(C) to obtain housing assistance under the United States Housing Act of 1937; or 42 USC 1437 note.

(D) to receive any other available relocation assistance as the Secretary determines to be appropriate.

(e) Notwithstanding any other provision of law, whenever the Secretary is requested to accept assignment of a mortgage insured by the Secretary which covers a multifamily housing project, and the Secretary determines that partial payment would be less costly to the Federal Government than other reasonable alternatives for maintaining the low- and moderate-income character of the project, the Secretary may request the mortgagee in lieu of assignment, to accept partial payment of the claim under the mortgage insurance contract and to recast the mortgage, under such terms and conditions as the Secretary may determine. As a condition to a partial claim payment under this section, the mortgagor shall agree to repay to the Secretary the amount of such payment and such obligation shall be secured by a second mortgage on the property on such terms and conditions as the Secretary may determine.

"Multifamily housing project."

(f) For the purpose of this section, the term "multifamily housing project" means a multifamily project which is, or prior to acquisition by the Secretary was, assisted under section 236, the proviso of section 221(d)(5) of the National Housing Act, or section 101 of the Housing and Urban Development Act of 1965, and which is insured under the National Housing Act.

12 USC 1715z-1, 12 USC 1715l. 12 USC 1701.

Rules and regulations.

(g) The Secretary shall issue such rules and regulations as may be necessary to carry out the provisions of this section within 90 days after the date of enactment of this Act.

HOUSING ACCESS

12 USC 1701z-12.

SEC. 204. The Secretary shall require any purchaser of a multifamily housing project owned by the Secretary which is sold on or after October 1, 1978, to agree not to refuse unreasonably to lease a vacant dwelling unit in the project which rents for an amount not greater than the fair market rent for a comparable unit in the area as determined by the Secretary under section 8 of the United States Housing Act of 1937 to a holder of a certificate of eligibility under that section solely because of such prospective tenant's status as a certificate holder.

42 USC 1437f.

HOUSING FOR THE HANDICAPPED

12 USC 1701q.

SEC. 205. (a) Section 202 of the Housing Act of 1959 is amended by adding at the end thereof the following new subsection:

"(h) Of the amounts made available in appropriation Acts for loans pursuant to subsection (a)(4)(C) for the fiscal year commencing on October 1, 1978, not less than $50,000,000 shall be available for loans for the development of rental housing and related facilities specifically designed to meet the needs of handicapped (primarily nonelderly) persons. The Secretary shall take such steps as may be necessary to assure that—

"(1) funds made available pursuant to this subsection will be used to support innovative methods of meeting the needs of handicapped persons by providing a variety of housing options, ranging from small group homes to independent living complexes; and

"(2) housing and related facilities assisted under this subsection will provide handicapped persons occupying units within such housing with an assured range of services specified under subsection (f) and the opportunity for optimal independent living and participation in normal daily activities, and will facilitate access by such persons to the community at large and to suitable employment opportunities within such community.".

(b) The second sentence of section 202(a)(4)(C) of such Act is amended— 12 USC 1701q.

(1) by striking out "in any fiscal year" immediately after "under this section"; and

(2) by striking out "for such year" immediately after "authority established".

(c) Section 202(d)(3) of such Act is amended by inserting "the cost of movables necessary to the basic operation of the project as determined by the Secretary," immediately after "related facilities,".

(d) Section 202(d)(2) of such Act is amended to read as follows: "Corporation."

"(2) The term 'corporation' means any incorporated private institution or foundation—

"(A) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual;

"(B) which has a governing board (i) the membership of which is selected in a manner to assure that there is significant representation of the views of the community in which such project is located, and (ii) which is responsible for the operation of the housing project assisted under this section; and

"(C) which is approved by the Secretary as to financial responsibility.".

LOW-INCOME HOUSING

SEC. 206. (a) Section 5(c) of the United States Housing Act of 1937 is amended— 42 USC 1437c.

(1) by striking out "and" immediately after "October 1, 1976," in the first sentence;

(2) by inserting immediately after "on October 1, 1977," in the first sentence the following: "and by $1,195,043,000 on October 1, 1978";

(3) by striking out the second and fourth sentences; and

(4) by inserting "and on and after October 1, 1978," immediately after "October 1, 1976," in the third sentence.

(b) Section 5(c) of such Act is amended by inserting after the fourth sentence the following: "Of the additional authority to enter into contracts for annual contributions provided on October 1, 1978, and approved in appropriation Acts, the Secretary shall make available not less than $50,000,000 for modernization of low-income housing projects.".

(c) Section 3(2)(D) of such Act is amended by striking out "10" in the first proviso and inserting in lieu thereof "15". 42 USC 1437a.

(d)(1) Section 8 of such Act is amended by adding at the end thereof the following new subsection: 42 USC 1437f.

"(i) In entering into contracts under this section with respect to substantially rehabilitated dwelling units, the Secretary shall provide that— Contracts.

"(1) the maximum monthly rent permitted for the assisted units be not greater than the amount permitted under subsection (c) or a lesser amount which the Secretary determines is appropriate taking into consideration the investment of the owner in the assisted units and such other factors as the Secretary determines to be relevant;

"(2) the assisted units be rehabilitated to a level which meets but does not exceed applicable codes and standards for decent, safe, and sanitary housing which are prescribed by the Secretary;

"(3) all the dwelling units in the housing structure in which the assisted units are located meet applicable codes and standards prescribed by the Secretary for decent, safe, and sanitary housing;

"(4) the term of any such contract does not exceed the maxi-

mum term permitted under subsection (e)(1) or a shorter term which the Secretary determines is appropriate taking into consideration the amount of investment of the owner in the assisted units and such other factors as the Secretary determines to be relevant; and

"(5) the assisted units meet cost-effective energy efficiency standards prescribed by the Secretary.".

Effective date. 42 USC 1437f note.

(2) The amendment made by this subsection shall become effective with respect to contracts entered into on or after 270 days following the date of enactment of this Act.

42 USC 1437f.

(e) Section 8(e) of such Act is amended by adding at the end thereof the following:

"(5) For the purpose of upgrading and thereby preserving the Nation's housing stock, the Secretary is authorized to make assistance payments under this section directly or through public housing agencies pursuant to contracts with owners or prospective owners who agree to upgrade housing so as to make and keep such housing decent, safe, and sanitary through upgrading which involves less than substantial rehabilitation, as such upgrading and rehabilitation are defined by the Secretary. The Secretary is authorized to prescribe such terms and conditions for contracts entered into under this section pursuant to this paragraph as the Secretary determines to be necessary and appropriate, except that such terms and conditions, to the maximum extent feasible, shall be consistent with terms and conditions otherwise applicable with respect to other dwelling units assisted under this section. The Secretary is also authorized to make assistance available under this section pursuant to this paragraph to any unit in a housing project which, on an overall basis, reflects the need for such upgrading.".

Terms and conditions.

(f) Section 8 of such Act is amended by adding at the end thereof the following new subsection:

Annual contributions contracts.

"(j)(1) The Secretary may enter into annual contributions contracts under this subsection for the purpose of assisting lower income families by making rental assistance payments with respect to real property on which is located a mobile home which is owned by any such family and utilized by such family as its principal place of residence. In carrying out this subsection, the Secretary may (A) enter into annual contributions contracts with public housing agencies pursuant to which such agencies may enter into contracts to make such assistance payments to the owners of such real property, or (B) enter into such contracts directly with the owners of such real property.

"(2) Contracts entered into pursuant to this subsection shall establish the maximum monthy rent (including maintenance and management charges) which the owner is entitled to receive for each space on which a mobile home is located and with respect to which assistance payments are to be made. The maximum monthly rent shall not exceed by more than 10 per centum the fair market rental established by the Secretary periodically (but not less than annually) with respect to the market area for the rental of real property suitable for occupancy by families assisted under this subsection. The provisions of subsection (c)(2) of this section shall apply to the adjustments of maximum monthly rents under this subsection.

"(3) The amount of any monthly assistance payment with respect to any family assisted under this subsection shall be the difference between 25 per centum of one-twelfth of the annual income of such family and the sum of—

"(A) the monthly payment made by such family to amortize the cost of purchasing the mobile home;

"(B) monthly utility payments made by such family, subject to reasonable limitations prescribed by the Secretary; and

"(C) the maximum monthly rent permitted with respect to the real property which is rented by such family for the purpose of locating its mobile home;

except that in no case may such assistance exceed the total amount of such maximum monthly rent.

"(4) Each contract entered into under this subsection shall be for a term of not less than one month and not more than 180 months.

"(5) The Secretary may prescribe other terms and conditions which are necessary for the purpose of carrying out the provisions of this subsection and which are consistent with the purposes of this subsection.". Terms and conditions.

(g) Section 9(c) of such Act is amended— 42 USC 1437g.

(1) by striking out "and" immediately following "on or after October 1, 1976,"; and

(2) by inserting immediately before the period at the end thereof the following: ", and not to exceed $729,000,000 on or after October 1, 1978".

(h) The amendments made by this section, except the amendment made by subsection (d), shall become effective on October 1, 1978. Effective date. 42 USC 1437c note.

PUBLIC HOUSING SECURITY

SEC. 207. (a) This section may be cited as the "Public Housing Security Demonstration Act of 1978". Public Housing Security Demonstration Act of 1978. 12 USC 1701z-6 note.

(b)(1) The Congress finds that—

(A) low-income and elderly public housing residents of the Nation have suffered substantially from rising crime and violence, and are being threatened as a result of inadequate security arrangements for the prevention of physical violence, theft, burglary, and other crimes;

(B) older persons generally regard the fear of crime as the most serious problem in their lives, to the extent that one-fourth of all Americans over 65 voluntarily restrict their mobility because of it;

(C) crime and the fear of crime have led some residents to move from public housing projects;

(D) an integral part of successfully providing decent, safe, and sanitary dwellings for low-income persons is to insure that the housing is secure;

(E) local public housing authorities may have inadequate security arrangements for the prevention of crime and vandalism; and

(F) action is needed to provide for the security of public housing residents and to preserve the Nation's investment in its public housing stock.

(2) It is, therefore, declared to be the policy of the United States to provide for a demonstration and evaluation of effective means of mitigating crime and vandalism in public housing projects, in order to provide a safe living environment for the residents, particularly the elderly residents, of such projects.

(c)(1) The Secretary of Housing and Urban Development shall promptly initiate and carry out during the fiscal year beginning on October 1, 1978, to the extent approved in appropriation Acts, a pro-

gram for the development, demonstration, and evaluation of improved, innovative community anticrime and security methods, concepts and techniques which will mitigate the level of crime in public housing projects and their surrounding neighborhoods.

(2) In selecting public housing projects to receive assistance under this section, the Secretary shall assure that a broad spectrum of project types, locations and tenant populations are represented and shall consider at least the following: the extent of crime and vandalism currently existing in the projects; the extent, nature and quality of community anticrime efforts in the projects and surrounding areas; the extent, nature and quality of police and other protective services available to the projects and their tenants; the demand for public housing units in the locality, the vacancy rate, and extent of abandonment of such units; and the characteristics and needs of the public housing tenants.

(3) In selecting the anticrime and security methods, concepts and techniques to be demonstrated under this section, the Secretary shall consider the improvement of physical security equipment or dwelling units in those projects, social and environmental design improvements, tenant awareness and volunteer programs, tenant participation and employment in providing security services, and such other measures as deemed necessary or appropriate by the Secretary. Particular attention shall be given to comprehensive community anticrime and security plans submitted by public housing authorities which (i) provide for coordination between public housing management and local law enforcement officials, or (ii) coordinate resources available to the community through programs funded by the Law Enforcement Assistance Administration, the Department of Health, Education, and Welfare, the Department of Labor, the Community Services Administration, and ACTION, or other Federal or State agencies.

Comprehensive community anticrime and security plans, consideration.

(4) In carrying out the provisions of this section, the Secretary shall coordinate and jointly target resources with other agencies, particularly the Law Enforcement Assistance Administration, the Department of Health, Education, and Welfare, the Department of Labor, the Community Services Administration, and ACTION.

(d) The Secretary shall initiate and carry out a survey of crime and vandalism existing in the Nation's public housing projects. The survey shall include the nature, extent and impact of crime and vandalism and the nature and extent of resources currently available and employed to alleviate crime and vandalism in public housing.

Crime and vandalism, survey.

(e) The Secretary shall report to the Congress not later than eighteen months after the date of enactment of this Act. Such report shall include the results of the survey on crime and vandalism in public housing; findings from the demonstration and evaluation of various methods of reducing the level of crime; and legislative recommendations, if appropriate for (A) a comprehensive program to increase security in public housing projects and (B) increasing the coordination between anticrime programs of other State and Federal agencies that may be used by public housing authorities. Any recommendations shall include estimated costs of such programs.

Report to Congress.

(f) Of the additional authority approved in appropriation Acts with respect to entering into annual contributions contracts under section 5(c) of the United States Housing Act of 1937 for the fiscal year beginning on October 1, 1978, the Secretary may utilize up to $12,000,000 of such authority in the fiscal year beginning on October 1, 1978, for the establishment of the public housing security demonstration program authorized by this section.

42 USC 1437c.

SECTION 8 HOUSING FOR LARGE FAMILIES

SEC. 208. (a) The Secretary of Housing and Urban Development shall conduct a study for the purpose of examining alternative means of encouraging the development of housing to be assisted under section 8 of the United States Housing Act of 1937 for occupancy by large families which reside in areas with a low-vacancy rate in rental housing. 42 USC 1437f note. 42 USC 1437f.

(b) The Secretary shall report to the Congress no later than one year after the date of enactment of this Act, for the purpose of providing legislative recommendations with respect to the study described in subsection (a). Report to Congress.

SOLAR ENERGY SYSTEMS

SEC. 209. (a) It is the purpose of this section to promote and extend the application of viable solar energy systems as a desirable source of energy for residential single-family and multifamily housing units. 12 USC 1701z-13.

(b) (1) The Secretary, in carrying out programs and activities under section 312 of the Housing Act of 1964, section 202 of the Housing Act of 1959, and section 8 of the United States Housing Act of 1937, shall permit the installation of solar energy systems which are cost-effective and economically feasible. 42 USC 1452b. 12 USC 1701q.

(2) For the purpose of this Act, the term "solar energy system" means any addition, alteration, or improvement to an existing or new structure which is designed to utilize wind energy or solar energy either of the active type based on mechanically forced energy transfer or of the passive type based on convective, conductive, or radiant energy transfer or some combination of these types to reduce the energy requirements of that structure from other energy sources, and which is in conformity with such criteria and standards as shall be prescribed by the Secretary in consultation with the Secretary of Energy. "Solar energy system."

(c) In carrying out subsection (b), the Secretary shall take such steps as may be necessary to encourage the installation of cost-effective and economically feasible solar energy systems in housing assisted under the programs and activities referred to in such subsection taking into account the interests of low-income homeowners and renters, including the implementation of a plan of action to publicize the availability and feasibility of solar energy systems to current or potential recipients of assistance under such programs and activities.

(d) The Secretary shall, in conjuction with the Secretary of Energy, transmit to the Congress, within eighteen months after the date of enactment of this Act, a report setting forth— Joint report to Congress.

(1) the number of solar units which were contracted for or installed or which are on order under the provisions of subsection (b) (1) of this section during the first twelve full calendar months after the date of enactment of this Act; and

(2) an analysis of any problems and benefits related to encouraging the use of solar energy systems in the programs and activities referred to in subsection (b).

TITLE III—PROGRAM AMENDMENTS AND EXTENSIONS

EXTENSION OF FEDERAL HOUSING ADMINISTRATION MORTGAGE INSURANCE PROGRAMS

SEC. 301. (a) Section 2(a) of the National Housing Act is amended by striking out "November 1, 1978" in the first sentence and inserting in lieu thereof "October 1, 1979". 12 USC 1703.

12 USC 1715h. (b) Section 217 of such Act is amended by striking out "October 31, 1978" and inserting in lieu thereof "September 30, 1979".

12 USC 1715l. (c) Section 221(f) of such Act is amended by striking out "October 31, 1978" in the fifth sentence and inserting in lieu thereof "September 30, 1979".

12 USC 1715z. (d) Section 235(m) of such Act is amended by striking out "October 31, 1978" and inserting in lieu thereof "September 30, 1979".

12 USC 1715z-1. (e) Section 236(n) of such Act is amended by striking out "October 31, 1978" and inserting in lieu thereof "September 30, 1979".

12 USC 1715z-9. (f) Section 244(d) of such Act is amended—

(1) by striking out "October 31, 1978" in the first sentence and inserting in lieu thereof "September 30, 1979"; and

(2) by striking out "November 1, 1978" in the second sentence and inserting in lieu thereof "October 1, 1979".

12 USC 1715z-10. (g) Section 245 of such Act is amended by striking out "October 31, 1978" in the third sentence and inserting in lieu thereof "September 30, 1979".

12 USC 1748h-1. (h) Section 809(f) of such Act is amended by striking out "October 31, 1978" in the second sentence and inserting in lieu thereof "September 30, 1979".

12 USC 1748h-2. (i) Section 810(k) of such Act is amended by striking out "October 31, 1978" in the second sentence and inserting in lieu thereof "September 30, 1979".

12 USC 1749bb. (j) Section 1002(a) of such Act is amended by striking out "October 31, 1978" in the second sentence and inserting in lieu thereof "September 30, 1979".

12 USC 1749aaa. (k) Section 1101(a) of such Act is amended by striking out "October 31, 1978" in the second sentence and inserting in lieu thereof "September 30, 1979".

EXTENSION OF FLEXIBLE INTEREST RATE AUTHORITY

SEC. 302. Section 3(a) of the Act entitled "An Act to amend chapter 37 of title 38 of the United States Code with respect to the veterans' home loan program, to amend the National Housing Act with respect to interest rates on insured mortgages, and for other purposes", approved May 7, 1968, as amended, is amended by striking out "November 1, 1978" and inserting in lieu thereof "October 1, 1979".

12 USC 1709-1.

EXTENSION OF EMERGENCY HOME PURCHASE ASSISTANCE ACT OF 1974

SEC. 303. Section 3(b) of the Emergency Home Purchase Assistance Act of 1974 is amended by striking out "November 1, 1978" and inserting in lieu thereof "October 1, 1979".

12 USC 1723e note.

COMPREHENSIVE PLANNING

SEC. 304. (a) The second sentence of section 701(e) of the Housing Act of 1954 is amended by striking out "and not to exceed $75,000,000 for the fiscal year 1978" and inserting in lieu thereof "not to exceed $75,000,000 for the fiscal year 1978, and not to exceed $57,000,000 for the fiscal year 1979".

40 USC 461.

(b) The second sentence of section 701(c) of such Act is amended by striking out "biennially" and inserting in lieu thereof "triennially".

(c) Section 701(d)(2) of such Act is amended by striking out "biennially" and inserting in lieu thereof "at least triennially" and by striking out "two" and inserting in lieu thereof "three".

(d) Section 701(m) of such Act is amended by adding at the end thereof the following: 40 USC 461.

"(5) The term 'Indian tribal group or body' means any Indian tribe, band, group, and nation, including Alaska Indians, Aleuts, and Eskimos, and any Alaskan Native Village, of the United States, which is considered an eligible recipient under the Indian Self-Determination and Education Assistance Act (Public Law 93-638) or under the State and Local Fiscal Assistance Act of 1972 (Public Law 92-512).". "Indian tribal group or body." 25 USC 450 note. 31 USC 1221 note.

RESEARCH AUTHORIZATIONS

SEC. 305. (a) Title V of the Housing and Urban Development Act of 1970 is amended by striking out in the second sentence of section 501 "and not to exceed $60,000,000 for the fiscal year 1978" and inserting in lieu thereof "not to exceed $60,000,000 for the fiscal year 1978, and not to exceed $62,000,000 for the fiscal year 1979". 12 USC 1701z-1.

(b) Such title is further amended by adding at the end thereof the following new section:

"CONVERSIONS

"SEC. 510. In carrying out activities under section 501, the Secretary is authorized to conduct demonstrations to determine the feasibility of expanding homeownership opportunities in urban areas and encouraging the creation and maintenance of decent, safe, and sanitary housing in such areas by utilizing techniques including, but not limited to, the conversion of multifamily housing properties to condominium or cooperative ownership by individuals and families.". Demonstration. 12 USC 1701z-9.

(c) The Secretary of Housing and Urban Development shall conduct a study of the feasibility of underground construction of residential housing and changes in housing codes and financing which may be necessary as the result of the adoption of this construction method. The Secretary shall transmit a final report no later than one year after the date of enactment of this Act to the Congress containing the findings and conclusions made as a result of such study, along with any legislative recommendations which the Secretary determines should be enacted with respect to the subject of such study. Study. 12 USC 1701z-9 note. Report to Congress.

NEW COMMUNITIES

SEC. 306. Section 720(a) of the Housing and Urban Development Act of 1970 is amended by striking out "November 1, 1978" and inserting in lieu thereof "October 1, 1979". 42 USC 4521.

EXTENSION OF CRIME INSURANCE AND RIOT REINSURANCE PROGRAMS

SEC. 307. (a) Section 1201 of the National Housing Act is amended— 12 USC 1749bbb.

(1) by striking out, in subsection (b)(1), "October 31, 1978" and inserting in lieu thereof "September 30, 1980";

(2) by striking out, in subsection (b)(1)(A), "October 31, 1981" and inserting in lieu thereof "September 30, 1983"; and

(3) by striking out, in subsection (b)(2), "October 31, 1978" and inserting in lieu thereof "September 30, 1981".

(b) Section 1211 of such Act is amended by adding the following new subsection at the end thereof: 12 USC 1749bbb-3.

"(c) At least one-third of the voting members of every board of directors, board of governors, advisory committee, and other governing or advisory board or committee for each plan described in subsec-

tion (b) shall be individuals who are not employed by, or otherwise affiliated with, insurers, insurance agents, brokers, producers, or other entities of the insurance industry.".

12 USC 1749bbb-3.

(c) Section 1211(b) of such Act is amended by striking out "and" at the end of paragraph (9), by striking out the period at the end of paragraph (10) and inserting in lieu thereof "; and", and by adding the following new paragraph at the end thereof:

"(11) Notwithstanding any other provision of this section, on and after January 31, 1979, no risk within the plan shall be insured at a rate higher than the rates or advisory rates set by the principal State-licensed rating organization for essential property insurance in the voluntary market; except that this provision shall not be deemed to prohibit the application to any such risk, on a nondiscriminatory basis, of condition charges for substandard physical conditions within the control of the applicant for insurance as set by the principal State-licensed rating organization for the voluntary market.".

EXTENSION OF NATIONAL FLOOD INSURANCE PROGRAM

42 USC 4026.

SEC. 308. (a) Section 1319 of the National Flood Insurance Act of 1968 is amended by striking out "October 31, 1978" and inserting in lieu thereof "September 30, 1980".

42 USC 4056.

(b) Section 1336(a) of such Act is amended by striking out "October 31, 1978" and inserting in lieu thereof "September 30, 1980".

FLOOD INSURANCE STUDIES

42 USC 4127.

SEC. 309. Section 1376(c) of the National Flood Insurance Act of 1968 is amended by striking out "and not to exceed $108,000,000 for the fiscal year 1978" and inserting in lieu thereof the following: ", not to exceed $108,000,000 for the fiscal year 1978, and not to exceed $114,000,000 for the fiscal year 1979.".

FEDERAL HOUSING ADMINISTRATION GENERAL INSURANCE FUND

12 USC 1735c.

SEC. 310. Section 519(f) of the National Housing Act is amended by inserting the following before the period: ", which amount shall be increased by $165,000,000 on October 1, 1978".

MULTIFAMILY MORTGAGE INSURANCE

12 USC 1713.

SEC. 311. (a) The last sentence of section 207(c) of the National Housing Act is amended by striking out "eight" and inserting in lieu thereof "five".

12 USC 1715z-6.

(b) Section 241(d) of such Act is amended by adding at the end thereof the following: "At any sale under foreclosure of a mortgage on a project or facility which is not insured under this Act but which is senior to a loan assigned to the Secretary pursuant to subsection (c), the Secretary is authorized to bid, in addition to amounts authorized under section 207(k), any sum up to but not in excess of the total unpaid indebtedness secured by such senior mortgage, plus taxes, insurance, foreclosure costs, fees, and other expenses. In the event that, pursuant to subsection (c), the Secretary acquires title to, or is assigned, a loan covering a project or facility which is subject to a mortgage which is not insured under this Act, the Secretary is authorized to make payments from the General Insurance Fund on the debt secured by such mortgage, and to take such other steps as the Secretary may

deem appropriate to preserve or protect the Secretary's interest in the project or facility.".

MORTGAGE INSURANCE FOR NONRESIDENT CARE FACILITIES

SEC. 312. (a) Section 232(a) of the National Housing Act is amended— 12 USC 1715w.

(1) by inserting the following immediately before the period at the end of paragraph (1): ", including additional facilities for the nonresident care of elderly individuals and others who are able to live independently but who require care during the day"; and

(2) by inserting the following immediately before the period at the end of paragraph (2): ", including additional facilities for the nonresident care of elderly individuals and others who are able to live independently but who require care during the day".

(b) Section 232(b)(2) of such Act is amended by inserting immediately after "nursing services;" in the first sentence the following: "(3) a 'nursing home' or 'intermediate care facility' may include such additional facilities as may be authorized by the Secretary for the nonresident care of elderly individuals and others who are able to live independently but who require care during the day;". "Nursing home" or "intermediate care facility."

CONDOMINIUM MORTGAGE INSURANCE

SEC. 313. (a) The first sentence of section 234(c) of the National Housing Act is amended by inserting immediately after "less units" in the proviso of clause (2) the following: ", or twelve or more units in the case of a multifamily project the construction of which was completed more than a year prior to the application for mortgage insurance,". 12 USC 1715y.

(b) The third sentence of section 234(c) of such Act is amended by inserting "(100 per centum if the mortgagor is a veteran as defined under section 203(b)(2) of this Act)" after "centum" in clause (A)(i).

PURCHASE OF FEE SIMPLE TITLE

SEC. 314. Section 240(c)(2) of the National Housing Act is amended by adding "($30,000, if the property is located in Hawaii)" immediately after "$10,000". 12 USC 1715z-5.

NATIONAL NEIGHBORHOOD POLICY ACT

SEC. 315. The National Neighborhood Policy Act is amended by striking out "one year" in section 204(c) and inserting in lieu thereof "fifteen months". 42 USC 1441 note.

HOUSING AND URBAN DEVELOPMENT DAY CARE CENTER FACILITIES

SEC. 316. Section 7(n) of the Department of Housing and Urban Development Act is amended to read as follows: 42 USC 3535.

"(n) Notwithstanding any other provision of law, the Secretary is authorized by contract or otherwise to establish, equip, and operate a day care center facility or facilities, or to assist in establishing, equipping, and operating interagency day care facilities for the purpose of serving children who are members of households of employees of the Department. The Secretary is authorized to establish or provide for the establishment of appropriate fees and charges to be

chargeable against the Department of Housing and Urban Development employees or others who are beneficiaries of services provided by any such day care center. In addition, limited start-up costs may be provided by the Secretary in an amount limited to 3 per centum of the first year's operating budget, but not to exceed $3,500.".

SALE OF SURPLUS FEDERAL LAND FOR HOUSING

40 USC 484b.
Federal surplus real property, transfer to Secretary of Housing and Urban Development.
40 USC 471 note.

SEC. 317. (a) The first and second sentences of section 414(a) of the Housing and Urban Development Act of 1969 are amended to read as follows: "Notwithstanding the provisions of the Federal Property and Administrative Services Act of 1949, any Federal surplus real property within the meaning of such Act may, in the discretion of the Administrator of General Services, be transferred to the Secretary of Housing and Urban Development at the Secretary's request for sale or lease by the Secretary at its fair value for use in the provision of housing to be occupied predominantly by families or individuals of low and moderate income, assisted under a Federal housing assistance program administered by the Secretary or under a State or local program found by the Secretary to have the same general purpose, and for related public commercial or industrial facilities approved by the Secretary. Prior to any disposition of Federal surplus real property to an entity other than a public body, the Secretary shall notify the governing body of the locality where such property is located of the proposed disposition and no such disposition shall be made if the local governing body, within ninety days of such notification, formally advises the Secretary that it objects to the proposed disposition, unless the Secretary determines (1) that the proposed disposition would be consistent with any approved housing assistance and community development plans developed by such body pursuant to the Housing and Community Development Act of 1974, or (2) in cases where such plans are not available, that there is a need for low- and moderate-income housing taking into consideration any applicable State housing plans, and that there is or will be available in the area public facilities and services adequate to serve any housing proposed in conjunction with the proposed disposition.".

42 USC 5301 note.

(b) Subsection (b) of section 414 of such Act is amended to read as follows:

"(b) As a condition of any disposition by the Secretary of Federal surplus real property under this section to an entity other than a public body, the Secretary shall obtain such undertakings as the Secretary may consider appropriate to assure that the property will be used, to the maximum practicable extent, in the provision of housing and related facilities to be occupied by families or individuals of low and moderate income for a period of not less than thirty years. If during such period the property is used for any purpose other than the purpose for which it was disposed of, it shall revert to the United States (or, in the case of leased property, the lease shall terminate) unless the Secretary and the Administrator, after the expiration of the first twenty years of such period, have approved the use of the property for such other purposes.".

INCREASE IN GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE PURCHASE AUTHORITY AND LIMITS

12 USC 1717.

SEC. 318. (a) The third clause of the proviso in section 302(b)(1) of the National Housing Act is amended by striking "if the original principal obligation thereof exceeds or exceeded $33,000 (or such

higher amount not in excess of $38,000 as the Secretary may by regulation specify in any geographical area where he finds that cost levels so require), for each family residence or dwelling unit covered by the mortgage (plus an additional $2,500 for each such family residence or dwelling unit which has four or more bedrooms)" and inserting in lieu thereof "if the original principal obligation thereof exceeds or exceeded $55,000 in the case of property upon which is located a dwelling designed principally for a one-family residence; or $60,000 in the case of a two- or three-family residence; or $68,750 in the case of a four-family residence; or, in the case of a property containing more than four dwelling units, $38,000 per dwelling unit (or such higher amount not in excess of $45,000 per dwelling unit as the Secretary may by regulation specify in any geographical area where the Secretary finds that cost levels so require) for that part of the property attributable to dwelling use".

(b) Section 305(c) of such Act is amended by striking out "and by $2,000,000,000 on July 1, 1969" and inserting in lieu thereof "by $2,000,000,000 on July 1, 1969, and subject to approval in an appropriation Act, by $500,000,000 on October 1, 1978". 12 USC 1720.

NATIONAL INSTITUTE OF BUILDING SCIENCES

SEC. 319. Section 809(h) of the Housing and Community Development Act of 1974 is amended by inserting after "1978" the following: ", and any amounts not appropriated in fiscal years 1977 and 1978 may be appropriated in any fiscal year through 1982". 12 USC 1701j-2.

TITLE I HOME IMPROVEMENT LOANS FOR MULTIFAMILY DWELLINGS

SEC. 320. The first sentence of section 2(b) of the National Housing Act is amended by striking out "$25,000", "$5,000", and "twelve years" in the third proviso in clause (3) and inserting in lieu thereof "$37,500", "$7,500", and "fifteen years", respectively. 12 USC 1703.

AMENDMENTS TO THE FEDERAL HOME LOAN MORTGAGE CORPORATION ACT

SEC. 321. (a) Paragraph (1) of subsection (a) of section 305 of the Federal Home Loan Mortgage Corporation Act is amended by inserting the following before the period at the end of the first sentence thereof: "or from any mortgagee approved by the Secretary of Housing and Urban Development for participation in any mortgage insurance program under the National Housing Act". 12 USC 1454. 12 USC 1701.

(b) Paragraph (1) of subsection (a) of section 305 of the Federal Home Loan Mortgage Corporation Act is amended by adding at the end thereof the following new sentences: "The Corporation may establish requirements, and impose charges or fees, which may be regarded as elements of pricing, for different classes of sellers or servicers, and for such purposes the Corporation is authorized to classify sellers or servicers according to type, size, location, assets, or, without limitation on the generality of the foregoing, on such other basis or bases of differentiation as the Corporation may consider necessary or appropriate to effectuate the purposes or provisions of this Act. The Corporation may specify requirements concerning among other things, (A) minimum net worth; (B) supervisory mechanisms; (C) warranty compensation mechanisms; (D) prior approval of facilities; (E) prior origination and servicing experience with respect to different types of mortgages; (F) capital contributions and substitutes; (G) mortgage purchase volume limits; and (H) reduction of mortgage purchases 12 USC 1454.

during periods of borrowing. With respect to any particular type of seller, the Corporation shall not be required to make available programs involving prior approval of mortgages, optional delivery of mortgages, and purchase of other than conventional mortgages to an extent greater than the Corporation elects to make such programs available to other types of eligible sellers. Any requirements specified by the Corporation pursuant to the preceding three sentences must bear a rational relationship to the purposes or provisions of this Act, but will not be considered discriminatory solely on the grounds of differential effects on types of eligible sellers. Insofar as is practicable, the Corporation shall make reasonable efforts to encourage participation in its programs by each type of eligible seller.".

Effective date.
12 USC 1454 note.

(c) The amendments made by this section shall become effective at the end of the two hundred and ten calendar days after enactment of this Act, but not before January 31, 1979, or on such earlier date as the Federal Home Loan Mortgage Corporation may prescribe.

SALE OF ACQUIRED PROPERTY TO COOPERATIVES

12 USC 1715z-11.

SEC. 322. Section 246 of the National Housing Act is amended to read as follows:

"SALE OF ACQUIRED PROPERTY TO COOPERATIVES

"SEC. 246. In any case which the Secretary sells a multifamily housing project acquired as the result of a default on a mortgage which was insured under this Act to a cooperative which will operate it on a nonprofit basis and restrict permanent occupancy of its dwellings to members, or to a nonprofit corporation which operates as a consumer cooperative as defined by the Secretary, the Secretary may accept a purchase money mortgage, or upon application of the mortgagee, insure a mortgage under this section upon such terms and conditions as the Secretary determines are reasonable and appropriate, in a principal amount equal to the value of the property at the time of purchase, which value shall be based upon a mortgage amount on which the debt service can be met from the income of property when operated on a nonprofit basis after payment of all operating expenses, taxes, and required reserves; except that the Secretary may add to the mortgage amount an amount not greater than the amount of prepaid expenses and costs involved in achieving cooperative ownership, or make such other provisions for payment of such expenses and costs as the Secretary deems reasonable and appropriate. Prior to such disposition of a project, funds may be expended by the Secretary for necessary repairs and improvements.".

SECONDARY MORTGAGES ON INSURED PROPERTIES

12 USC 1731a.

SEC. 323. Title V of the National Housing Act is amended by adding at the end thereof the following new section:

"SECONDARY MORTGAGES ON INSURED PROPERTIES

12 USC 1735f-6.
12 USC 1707.

"SEC. 528. In carrying out the provisions of title II of this Act with respect to insuring mortgages secured by a one- to four-family dwelling unit, the Secretary may not deny such insurance for any such mortgage solely because the dwelling unit which secures such mortgage will be subject to a secondary mortgage or loan made or insured, or other secondary lien held, by any State or local governmental agency or instrumentality under terms and conditions approved by the Secretary.".

LEGISLATIVE REVIEW

SEC. 324. Section 7 of the Department of Housing and Urban Development Act is amended by adding at the end thereof the following new subsection: 42 USC 3535.

"(o)(1) Notwithstanding any other provision of law, the Secretary shall transmit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives an agenda of all rules or regulations which are under development or review by the Department. Such an agenda shall be transmitted to such Committees within 30 days of the date of enactment of this subsection and at least semi-annually thereafter. Rules or regulations agenda, transmittal to congressional committees.

"(2)(A) Any rule or regulation which is on any agenda submitted under paragraph (1) may not be published for comment prior to or during the first period of 15 calendar days of continuous session of Congress which occurs after the date on which such agenda was transmitted. If within such period, either Committee notifies the Secretary in writing that it intends to review any rule or regulation or portion thereof which appears on the agenda, the Secretary shall submit to both Committees a copy of any such rule or regulation, in the form it is intended to be proposed, at least 15 calendar days of continuous session prior to its being published for comment in the Federal Register. Notification.

"(B) Any rule or regulation which has not been published for comment before the date of enactment of this subsection and which does not appear on an agenda submitted under paragraph (1) shall be submitted to both such Committees at least 15 calendar days of continuous session of Congress prior to its being published for comment.

"(3) No rule or regulation may become effective until after the first period of 20 calendar days of continuous session of Congress which occurs after the day on which such rule or regulation is published as final. If within such 20-day period, either Committee has reported out or been discharged from further consideration of a joint resolution of disapproval or other legislation which is intended to modify or invalidate the rule or regulation or any portion thereof, the rule or regulation or portion thereof so addressed shall not become effective for a period of 90 calendar days from the date of Committee action or discharge unless the House to which such Committee reports has rejected such resolution or legislation, in which case the rule or regulation may go into effect only after the expiration of the 20 calendar days described in the first sentence of this paragraph if the other House does not have such a resolution or legislation pending or adopted, and if the requirements of section 553 of title 5, United States Code, are met.

"(4) The provisions of paragraphs (2) and (3) may be waived upon the written request of the Secretary, if agreed to by the Chairmen and Ranking Minority Members of both Committees. Waiver.

"(5) Congressional inaction on any rule or regulation shall not be deemed an expression of approval of the rule or regulation involved.

"(6) For purposes of this subsection—

"(A) continuity of session is broken only by an adjournment of Congress sine die;

"(B) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of calendar days of continuous session of Congress; and

"(C) the term 'rule or regulation' does not include the setting of interest rates pursuant to section 3 of Public Law 90-301.". "Rule or regulation." 12 USC 1709-1.

INCREASED MORTGAGE CEILINGS FOR MORTGAGE INSURANCE PROGRAMS

12 USC 1715*l*.

SEC. 325. (a) Section 221(d)(3)(ii) of the National Housing Act is amended—

(1) by striking out "$16,860", "$18,648", "$22,356", "$28,152", and "$31,884" and inserting in lieu thereof "$21,563", "$24,662", "$29,984", "$38,379", and "$42,756", respectively; and

(2) by striking out "$19,680", "$22,356", "$26,496", "$33,120", and "$38,400" and inserting in lieu thereof "$22,692", "$26,012", "$31,631", "$40,919", and "$44,917", respectively.

(b) Section 221(d)(4)(ii) of such Act is amended by striking out "$18,450", "$20,625", "$24,630", "$29,640", and "$34,846" in the matter preceding the first semicolon and inserting in lieu thereof "$19,406", "$22,028", "$26,625", "$33,420", and "$37,870", respectively.

FHA-INSURED MORTGAGE REFINANCING OF HOSPITALS

12 USC 1715n.

SEC. 326. Section 223(f) of the National Housing Act is amended by—

(1) inserting before the period at the end of the first sentence thereof the following: "or the refinancing of existing debt of an existing hospital.";

(2) striking out "property" in the second sentence and inserting in lieu thereof "multifamily housing project"; and

(3) adding at the end thereof the following new sentence:

"In the case of refinancing of an existing hospital the Secretary shall prescribe such terms and conditions as the Secretary deems necessary to assure that—

"(A) the refinancing is employed to lower the monthly debt service costs (taking into account any fees or charges connected with such refinancing) of such existing hospital;

"(B) the proceeds of any refinancing will be employed only to retire the existing indebtedness and pay the necessary cost of refinancing on such existing hospital;

"(C) such existing hospital is economically viable; and

"(D) such existing hospital has received such certifications from a State agency designated in accordance with section 604(a)(1) or section 1521 of the Public Health Service Act for the State in which the hospital is located as the Secretary deems necessary and appropriate and comparable to the certification required for hospitals insured under section 242 of this Act and that such State agency additionally certify that the services being provided by such existing hospital at the time of refinancing are appropriate as determined pursuant to section 1523(a)(6) of the Public Health Service Act.".

42 USC 291d, 300m.

12 USC 1715z-7.

42 USC 300m-2.

TITLE IV—CONGREGATE SERVICES

Congregate Housing Services Act of 1978.

SHORT TITLE

42 USC 8001 note.

SEC. 401. This title may be cited as the "Congregate Housing Services Act of 1978".

FINDINGS

42 USC 8001.

SEC. 402. The Congress finds that—

(1) congregate housing, coordinated with the delivery of supportive services, offers an innovative, proven, and cost-effective means of enabling temporarily disabled or handicapped indi-

viduals to maintain their dignity and independence and to avoid costly and unnecessary institutionalization;

(2) a large and growing number of elderly and handicapped residents of public housing projects and of nonprofit projects for the elderly and handicapped face premature and unnecessary institutionalization because of the absence of or deficiencies in the availability, adequacy, coordination, or delivery of the supportive services required for the successful development of adequate numbers of congregate housing projects; and

(3) supplemental supportive services, available on a secure and continuing basis, are essential to a successful congregate housing program.

DEFINITIONS

SEC. 403. For the purpose of this title— 42 USC 8002.

(1) the term "congregate housing" means (A) low-rent housing which, as of January 1, 1979, was built or under construction, with which there is connected a central dining facility where wholesome and economical meals can be served to such occupants; or (B) low-rent housing constructed after, but not under construction prior to, January 1, 1979, connected with which there is a central dining facility to provide wholesome and economical meals for such occupants;

(2) the term "congregate services programs" means programs to be undertaken by a public housing agency or a nonprofit corporation to provide assistance, including personal assistance and nutritional meals, to eligible project residents who, with such assistance, can remain independent and avoid unnecessary institutionalization;

(3) the term "elderly" means sixty-two years of age or over;

(4) the term "eligible project resident" means elderly handicapped individuals, nonelderly handicapped individuals, or temporarily disabled individuals, who are residents of congregate housing projects administered by a public housing agency or by a nonprofit corporation;

(5) the term "handicapped" means having an impairment which (A) is expected to be of long-continued and indefinite duration, and (B) substantially impedes an individual's ability to live independently unless the individual receives supportive congregate services; such impairment may include a functional disability or frailty which is a normal consequence of the human aging process;

(6) the term "personal assistance" means service provided under this title which may include, but is not limited to, aid given to eligible project residents in grooming, dressing, and other activities which maintain personal appearance and hygiene;

(7) the term "professional assessment committee" means a group of at least three persons appointed by a local public housing agency or a nonprofit corporation and shall include qualified medical professionals and other persons professionally competent to appraise the functional abilities of elderly or permanently disabled adult persons, or both, in relation to the performance of the normal tasks of daily living;

(8) the term "temporarily disabled" means an impairment which (A) is expected to be of no more than six months' duration, and (B) substantially impedes an individual's ability to live independently unless the individual receives supportive congregate services: and

(9) the term "nonprofit corporation" means any corporation responsible for a housing project assisted under section 202 of the Housing Act of 1959.

12 USC 1701q.

AUTHORIZATION TO ENTER INTO CONTRACTS

42 USC 8003.

SEC. 404. The Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") is authorized to enter into contracts with local public housing agencies under the United States Housing Act of 1937 (hereinafter referred to as "public housing agencies") and with nonprofit corporations, utilizing sums appropriated under this title, to provide congregate services programs for eligible project residents in order to promote and encourage maximum independence within a home environment for such residents capable of self-care with appropriate supportive congregate services. Each contract between the Secretary and a public housing agency or nonprofit corporation shall be for a term of not less than three years or more than five years and shall be renewable at the expiration of such term. Each public housing agency or nonprofit corporation entering into such a contract shall be reserved a sum equal to its total approved contract amount from the moneys authorized and appropriated for the fiscal year in which the notification date of funding approval falls.

42 USC 1437 note.

CONGREGATE SERVICES PROGRAM

42 USC 8004.

SEC. 405. (a) Congregate services programs assisted under this title must include full meal service adequate to meet nutritional needs, and may also include housekeeping aid, personal assistance, and other services essential for maintaining independent living.

Nondiscrimination.

(b) No services funded under this title may duplicate services which are already affordable, accessible, and sufficiently available on a long-term basis to eligible project residents under programs administered by or receiving appropriations through any department, agency, or instrumentality of the Federal Government or any other public or private department, agency, or organization.

Application, consultation.

(c) A public housing agency or nonprofit corporation applying for assistance shall consult with the Area Agency on Aging (or, where no Area Agency on Aging exists, with the appropriate State agency under the Older Americans Act of 1965) in determining the means of providing services under this title and in identifying alternative available sources of funding for such services.

42 USC 3001 note.

Copy. Review and comment.

(d) Prior to the submission of a final application for either new or renewed funding under this title, a public housing agency and a nonprofit corporation shall present a copy of a proposed application to the Area Agency on Aging (or, where no Area Agency on Aging exists to the appropriate State agency under the Older Americans Act of 1965) for review and comment. Such agency and nonprofit corporation shall consider such review and comment in the development of any final application for either new or renewed funding under this title.

(e)(1) When nonelderly handicapped individuals are included among the eligible project residents, the public housing agency and nonprofit corporation shall consult with the appropriate local agency, if any, designated by applicable State law as having responsibility for the development, provision, or identification of social services to permanently disabled adults, for the purpose of determining the means of providing services under this title and of identifying alternative available sources of funding for such services.

(2) Such public housing agency and nonprofit corporation shall also, prior to the submission of a final application for either new or renewed funding under this title, present a copy of the proposed application to such appropriate local agency for review and comment. The public housing agency and nonprofit corporation shall consider such review and comment in the development of any final application for either new or renewed funding under this title.

Copy.
Review and comment.

(f) Any nonprofit corporation or public housing agency receiving assistance under this title may provide congregate services directly to eligible project residents or may, by contract or lease, provide such services through other appropriate agencies or providers.

(g) Nonprofit corporations and public housing agencies receiving assistance for congregate services programs under this title shall be required to maintain the same dollar amount of annual contribution which they were making, if any, in support of the provision of services eligible for assistance under this title before the date of the submission of the application for such assistance unless the Secretary determines that the waiver of this requirement is necessary for the maintenance of adequate levels of services to eligible project residents. If any contract or lease entered into by a public housing agency or nonprofit corporation pursuant to subsection (f) of this section provides for adjustments in payments for services to reflect changes in the cost of living, then the amount of annual contribution required to be maintained by such public agency or nonprofit corporation under the preceding sentence shall be readjusted in the same manner.

(h) Each nonprofit corporation and public housing agency shall establish fees for meal service and other appropriate services provided to eligible project residents. These fees shall be reasonable, may not exceed the cost of providing the service, and shall be calculated on a sliding scale related to income which permits the provision of services to such residents who cannot afford meal and service fees. When meal services are provided to other project residents, fees shall be reasonable and may not exceed the cost of providing the meal service.

Fees.

(i) The Secretary shall establish standards for the provision of services under this title, and, in developing such service standards, the Secretary shall consult with the Secretary of the Department of Health, Education, and Welfare and with appropriate organizations representing the elderly and handicapped, as determined by the Secretary.

Standards, consultation.

ELIGIBILITY FOR SERVICES

SEC. 406. (a) The identification of project residents eligible to participate in a congregate services program assisted under this title, and the designation of the services appropriate to their individual functional abilities and needs, shall be made by a professional assessment committee. Such committee shall utilize procedures which insure that the process of determining eligibility of individuals for services under this title shall accord such individuals fair treatment and due process and a right of appeal of such determination of eligibility, and shall also assure the confidentiality of personal and medical records.

42 USC 8005.

(b) Other residents may participate in a congregate meal service program assisted under this title if the local public housing agency or nonprofit corporation determines that the participation of these individuals will not adversely affect the cost-effectiveness or operation of the program.

(c) Any public housing agency or nonprofit corporation receiving assistance under this title shall notify the Secretary of any change in the membership of the professional assessment committee within thirty

Recipients membership change, notification.

days of such change. Such notification shall list the names and professional qualifications of new members of the committee.

Procedures.

(d) Procedures shall be established to insure that changes in the membership of the professional assessment committee are consistent with the requirements of section 403(7) of this title.

APPLICATION PROCEDURES

42 USC 8006.

SEC. 407. (a) An application for assistance under this title shall include—

(1) a plan specifying the types and priorities of the basic services the public housing agency or nonprofit corporation proposes to provide during the term of the contract; such plan must be related to the needs and characteristics of the eligible project residents and, to the maximum extent practicable, provide for the changing needs and characteristics of all project residents; such plan shall be determined after consultation with eligible project residents and with the professional assessment committee;

(2) a list of names and professional qualifications of the members of the professional assessment committee;

(3) the fee schedule established pursuant to section 405(h) of this title;

(4) any comment received in connection with any review of a proposed application pursuant to section 405(d) or 405(e)(2); and

(5) a statement affirming (A) that the nonprofit corporation or public housing agency has followed the consultation procedures required in subsections (c), (d), and (e) of section 405, and (B) that such application complies with subsection (b) of such section.

Submission deadlines and notification.

(b) The Secretary shall establish appropriate deadlines for each fiscal year for the submission of applications for funding under this title and shall notify any public housing agency and nonprofit corporation applying for assistance under this title of acceptance or rejection of its application within ninety days of such submission.

Review.

(c) Within twelve months prior to the submission of an application for renewed funding under this title, each nonprofit corporation and public housing agency shall review the performance, appropriateness, and fee schedules of their congregate services program with eligible project residents and with the professional assessment committee. The results of such review shall be included in any application for renewal and shall be considered in the development of the application for renewal by the nonprofit corporation or public housing agency and in its evaluation by the Secretary.

EVALUATION OF APPLICATION AND PROGRAMS

42 USC 8007.

SEC. 408. (a) In evaluating applications for assistance under this title, the Secretary shall consider—

(1) the types and priorities of the basic services proposed to be provided, and the relationship of such proposal to the needs and characteristics of the eligible residents of the projects where the services are to be provided;

(2) how quickly services will be established following approval of the application;

(3) the degree to which local social services are adequate for the purpose of assisting eligible project residents to maintain independent living and avoid unnecessary institutionalization;

(4) the professional qualifications of the members of the professional assessment committee; and

(5) the reasonableness of fee schedules established for each congregate service.

(b) In evaluating programs receiving assistance under this title, the Secretary shall—

(1) establish procedures for the review and evaluation of the performance of nonprofit corporations and public housing agencies receiving assistance under this title, including provisions for the submission of an annual report, by each such nonprofit corporation and public housing agency, which evaluates the impact and effectiveness of its congregate services program; and

Procedures.

(2) publish annually and submit to the Congress, a report on and evaluation of the impact and effectiveness of congregate services programs assisted under this title. Such report and evaluation shall be based, in part, on the evaluations required to be submitted pursuant to paragraph (1).

Report, annual publication and submittal to Congress.

FUNDING PROCEDURES

SEC. 409. (a) The Secretary shall establish procedures—

42 USC 8008.

(1) to assure timely payments to nonprofit corporations and public housing agencies for approved assisted congregate services programs with provision made for advance funding sufficient to meet necessary startup costs;

(2) to permit reallocation of funds approved for the establishment of congregate services in existing public housing projects and projects assisted under section 202 of the Housing Act of 1959 if the services are not established within six months of the notification date of funding approval;

(3) to assure that where such funding has been approved for the establishment of congregate services for public housing projects and projects assisted under section 202 of the Housing Act of 1959 under construction or approved for construction, these services shall be in place at the start of the project's occupancy by tenants requiring such services for maintaining independent living;

12 USC 1701q.

(4) to establish accounting and other standards in order to prevent any fraudulent or inappropriate use of funds under this title; and

(5) to assure that no more than 1 per centum of the funds appropriated under this title for any fiscal year may be used by public housing agencies and nonprofit corporations for evaluative purposes as required by section 408(b)(1).

(b) The Secretary shall establish a reserve fund, not to exceed 10 per centum of the funds appropriated in each fiscal year for the provision of services under this title, in order to supplement grants awarded to public housing agencies and nonprofit corporations under this title when, in the determination of the Secretary, such supplemental adjustments are required to maintain adequate levels of services to eligible project residents.

Reserve fund, establishment.

MISCELLANEOUS PROVISIONS

SEC. 410. (a) Each public housing agency and nonprofit corporation shall, to the maximum extent practicable, utilize elderly and permanently disabled adult persons who are residents of public housing projects or projects assisted under section 202 of the Housing Act of 1959, but who are not eligible project residents, to participate in pro-

42 USC 8009.

viding the services assisted under this title. Such persons shall be paid wages which shall not be lower than whichever is the highest of—

(1) the minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938, if section 6(a)(1) of such Act applied to the resident and if he or she were not exempt under section 13 thereof;

29 USC 201.
29 USC 206.
29 USC 213.

(2) the State or local minimum wage for the most nearly comparable covered employment; or

(3) the prevailing rates of pay for persons employed in similar public occupations by the same employer.

(b) No service provided to a public housing resident or to a resident of a housing project assisted under section 202 of the Housing Act of 1959 under this title, except for wages paid under subsection (a) of this section, may be treated as income for the purpose of any other program or provision of State or Federal law.

12 USC 1701q.

(c) Individuals receiving services assisted under this title shall be deemed to be residents of their own households, and not to be residents of a public institution, for the purpose of any other program or provision of State or Federal law.

(d) The Secretary may issue regulations to carry out the provisions of this title.

Regulations.

AUTHORIZATION OF APPROPRIATIONS

SEC. 411. (a) To carry out the provisions of this title, there are authorized to be appropriated—

42 USC 8010.

(1) for fiscal year 1979, not to exceed $20,000,000;
(2) for fiscal year 1980, not to exceed $25,000,000;
(3) for fiscal year 1981, not to exceed $35,000,000; and
(4) for fiscal year 1982, not to exceed $40,000,000.

(b) Sums appropriated pursuant to this section shall remain available until expended.

AMENDMENT TO THE UNITED STATES HOUSING ACT OF 1937

SEC. 412. Section 7 of the United States Housing Act of 1937 is amended by striking out the second sentence and inserting in lieu thereof the following: "As used in this section, the term 'congregate housing' means (1) low-rent housing which, as of January 1, 1979, was built or under construction, with which there is connected a central dining facility where wholesome and economical meals can be served to such occupants; or (2) low-rent housing constructed after, but not under construction prior to, January 1, 1979, connected with which there is a central dining facility to provide wholesome and economical meals for such occupants. Such occupants of congregate housing may also be provided with other supportive services appropriate to their needs under title IV of the Housing and Community Development Amendments of 1978.".

"Congregate housing."
42 USC 1437e.

Ante, p. 2104.

TITLE V—RURAL HOUSING

AUTHORIZATIONS

SEC. 501. (a) Section 513(b) of the Housing Act of 1949 is amended by inserting after "October 31, 1978" the following: ", and not to exceed $48,000,000 for the fiscal year ending September 30, 1979".

42 USC 1483.

(b) Section 513(c) of such Act is amended by inserting before the semicolon at the end thereof the following: ", and not to exceed $38,000,000 for the fiscal year ending September 30, 1979".

(c) Section 513 of such Act is amended by striking out clause (d) and inserting in lieu thereof the following: "(d) not to exceed $10,000,000 for research and study programs pursuant to subsections (b), (c), and (d) of section 506 for the fiscal year ending September 30, 1979;". 42 USC 1483.

(d) Section 514 of such Act is amended by striking out "$25,000,000" in subsection (d) and inserting in lieu thereof "$38,000,000 (subject to approval in an appropriation Act)". 42 USC 1484.

(e) Section 515(b)(5) of such Act is amended by striking out "October 31, 1978" and inserting in lieu thereof "September 30, 1979". 42 USC 1485.

(f) Section 517(a)(1) of such Act is amended by striking out "October 31, 1978" and inserting in lieu thereof "September 30, 1979". 42 USC 1487.

(g) Section 523(f) of such Act is amended— 42 USC 1490c.

(1) by striking out "November 1, 1978" and inserting in lieu thereof "October 1, 1979";

(2) by striking out "October 31, 1978" and inserting in lieu thereof "September 30, 1979"; and

(3) by striking out "$10,000,000" and inserting in lieu thereof "$16,500,000".

(h) Section 523(g) of such Act is amended by inserting before the period at the end of the first sentence the following: ", and not to exceed $3,000,000 for the fiscal year ending September 30, 1979".

(i) Section 525(c) of such Act is amended by inserting after the first sentence the following new sentence: "There are also authorized to be appropriated for the fiscal year ending September 30, 1979, not to exceed $5,000,000 for the purposes of subsection (a) and not to exceed $5,000,000 for the purposes of subsection (b).". 42 USC 1490e.

RURAL HOUSING RESEARCH

SEC. 502. (a) Subsection (b) of section 506 of the Housing Act of 1949 is amended to read as follows: Buildings and repairs.

"(b) The Secretary is further authorized and directed to conduct research, technical studies, and demonstrations relating to the mission and programs of the Farmers Home Administration and the national housing goals defined in section 2 of this Act. In connection with such activities, the Secretary shall seek to promote the construction of adequate farm and other rural housing, with particular attention to the housing needs of the elderly, handicapped, migrant and seasonal farmworkers, Indians and other identifiable groups with special needs. The Secretary shall conduct such activities for the purposes of stimulating construction and improving the architectural design and utility of dwellings and buildings.". 42 USC 1476. 42 USC 1441.

(b) Section 506 of such Act is amended by adding the following new subsection at the end thereof: Study.

"(f)(1) The Secretary shall conduct a study of housing which is available for migrant and settled farmworkers. In conducting such study, the Secretary shall—

"(A) determine the location, number, quality, and condition of housing units which are available to such farmworkers and the cost assessed such farmworkers for occupying such units;

"(B) recommend legislative, administrative, and other action (including the need for new authority for such action) which may be taken for the purpose of improving both the availability and the condition of such housing units; and

"(C) determine the possible roles which individual farmworkers, farmworker associations, individual farmers, farmer

associations, and public and private nonprofit agencies can perform in improving the housing conditions of farmworkers.

Results to House and Senate.

"(2) The Secretary shall transmit the results of the study described in paragraph (1) to each House of the Congress within one year after the date of the enactment of this subsection.".

APPEALS PROCEDURES

Rules and regulations.
42 USC 1480.

SEC. 503. Section 510 of the Housing Act of 1949 is amended by redesignating paragraphs (g), (h), and (i) as paragraphs (h), (i), and (j), respectively, and by inserting the following new paragraph after paragraph (f):

"(g) issue rules and regulations which assure that applicants denied assistance under this title or persons or organizations whose assistance under this title is being substantially reduced or terminated are given written notice of the reasons for denial, reduction or termination and are provided at least an opportunity to appeal an adverse decision and to present additional information relevant to that decision to a person, other than the person making the original determination, who has authority to reverse the decision;".

DOMESTIC FARM LABOR HOUSING

Waiver.
42 USC 1484.

SEC. 504. Section 514 of the Housing Act of 1949 is amended by adding at the end thereof the following:

42 USC 1471.

"(g) The Secretary may waive the interest rate limitation contained in subsection (a)(2) and the requirement of section 501(c)(3) in any case in which the Secretary determines that qualified public or private nonprofit sponsors are not currently available and are not likely to become available within a reasonable period of time and such waiver is necessary to permit farmers to provide housing and related facilities for migrant domestic farm laborers, except that the benefits resulting from such waiver shall accrue to the tenants, and the interest rate on a loan insured under this section and for which the Secretary permits such waiver shall be no less than one-eighth of 1 per centum above the average interest rate on notes or other obligations which are issued under section 511 and have maturities comparable to such a loan.".

42 USC 1481.

SPONSORS PRIORITY

42 USC 1486.

SEC. 505. Section 516(e) of the Housing Act of 1949 is amended by adding at the end thereof the following: "The Secretary shall not give priority for funding under this section to any one of the groups listed in subsection (a) over any of the others so listed.".

ASSISTANCE TO PERSONS RECEIVING LOANS TO PROVIDE OCCUPANT-OWNED, RENTAL, AND COOPERATIVE HOUSING

42 USC 1490a.

SEC. 506. (a) Section 521(a)(1) of the Housing Act of 1949 is amended—

(1) by inserting "(A)" after "SEC. 521. (a)(1)";

(2) by striking out everything in the first sentence after "one-eighth of 1 per centum" and inserting in lieu thereof a period; and

(3) by inserting the following at the end thereof:

"(B) From the interest rate so determined, the Secretary may provide the borrower with assistance in the form of credits so as to reduce the effective interest rate to a rate not less than 1 per centum per

annum for such periods of time as the Secretary may determine for applicants described in subparagraph (A) if without such assistance such applicants could not afford the dwelling or make payments on the indebtedness of the rental or cooperative housing.

"(C) For persons of low income under section 502 or 517(a) who the Secretary determines are unable to afford a dwelling with the assistance provided under subparagraph (B) and when the Secretary determines that assisted rental housing programs (as authorized under this title, the National Housing Act, and the United States Housing Act of 1937) would be unsuitable in the area in which such persons reside, the Secretary may provide additional assistance, pursuant to amounts approved in appropriation Acts and for such periods of time as the Secretary may determine, which may be in an amount not to exceed the difference between (i) the amount determined by the Secretary to be necessary to pay the principal indebtedness, interest, taxes, insurance, utilities, and maintenance, and (ii) 25 per centum of the income of such applicant. 42 USC 1472, 1487. 12 USC 1701. 42 USC 1437 note.

"(D) With respect to borrowers under section 502 or 517(a) who have received assistance under subparagraph (B) or (C), the Secretary shall provide for the recapture of all or a portion of such assistance rendered upon the disposition or nonoccupancy of the property by the borrower. In providing for such recapture, the Secretary shall make provisions to provide incentives for the borrower to maintain the property in a marketable condition. Notwithstanding any other provision of law, any such assistance whenever rendered shall constitute a debt secured by the security instruments given by the borrower to the Secretary to the extent that the Secretary may provide for recapture of such assistance. Recapture. Maintenance incentives.

"(E) Except for Federal or State laws relating to taxation, the assistance rendered to any borrower under subparagraphs (B) and (C) shall not be considered to be income or resources for any purpose under any Federal or State laws including, but not limited to, laws relating to welfare and public assistance programs.

"(F) Loans subject to the interest rates and assistance provided under this paragraph (1) may be made only when the Secretary determines the needs of the appplicant for necessary housing cannot be met with financial assistance from other sources including assistance under the National Housing Act and the United States Housing Act of 1937.

"(G) Interest on loans under section 502 or 517(a) to victims of a natural disaster shall not exceed the rate which would be applicable to such loans under section 502 without regard to this section.

"(H) The aggregate principal amount of loans made to borrowers receiving assistance pursuant to subparagraph (C) shall not exceed $440,000,000.".

(b) Section 517(j) of such Act is amended by striking out "(2)" in paragraph (4). 42 USC 1487.

RURAL RENTAL ASSISTANCE

SEC. 507. Section 521(a)(2)(A) of the Housing Act of 1949 is amended— 42 USC 1490a.

(1) by striking out "the owners" in the first sentence and inserting in lieu thereof "public and private nonprofit owners";

(2) by inserting "congregate, or cooperative" after "rental" the second time it appears in the first sentence; and

(3) by inserting ", by a loan under section 514," immediately after "section 515 for elderly or handicapped housing" in clause (i) of the second sentence.

STUDY OF EMERGENCY POTABLE WATER AND SEWAGE PROGRAM

42 USC 1476 note.

SEC. 508. (a) The Secretary of Agriculture shall—

(1) carry out a study to determine the approximate number of rural housing units without access to sanitary toilet facilities, potable water, or access to both sanitary toilet facilities and potable water, as defined under regulations established by the Secretary; and

(2) prepare a projection of the cost of implementing an emergency program to provide sanitary toilet facilities and potable water supplies for all such housing units over a two-year period.

Report to Congress.

(b) Not later than six months after the date of enactment of this Act, the Secretary of Agriculture shall report to the Congress the results of the study and projection under subsection (a).

STUDY OF PROBLEMS CAUSED BY REMOTE CLAIMS

42 USC 1480 note.

SEC. 509. (a) The Secretary of Agriculture (hereafter referred to in this section as "Secretary") shall make a detailed study of the problems associated with obtaining title insurance by persons in rural areas with respect to real property encumbered by remote claims or other remote encumbrances which prevent such persons from receiving the full benefit of the use of such property, including the benefit of assistance provided under this title. The Secretary shall, in making such study, consider and develop findings and conclusions with respect to—

(1) the extent of such problems as they pertain to the lawful rights of such persons;

(2) the location and amount of land affected by such problems;

(3) the nature, extent, and effectiveness of remedies to such problems presently available, or proposed, under State law;

(4) the potential impact (with respect to existing Federal, State, and local laws) of such remote claims and encumbrances and of any reasonable remedies determined necessary for resolving the problems created for persons by such remote claims or encumbrances;

(5) the liability and losses which might accrue to the Federal Government as a result of each of the remedies considered in the study conducted under this section; and

(6) other issues which the Secretary determines shall be considered, after consulting with the Secretary of Housing and Urban Development.

Reports to Congress.

(b) Not later than March 1, 1979, the Secretary shall transmit to the Congress an interim report on the study conducted under this section. In addition, the Secretary shall, not later than one year after the date of the enactment of this Act, transmit a final report to the Congress. Such final report shall contain the findings and conclusions of the Secretary with respect to the study made under this section. In addition, such final report shall include—

Legislative recommendations.

(1) recommendations for Federal legislative actions necessary to implement reasonable remedies to the problems studied under this section; and

(2) recommendations for legislative actions which may be undertaken by State and local governments for the purposes of providing such remedies.

TITLE VI—NEIGHBORHOOD REINVESTMENT CORPORATION

Neighborhood Reinvestment Corporation Act.

SHORT TITLE

SEC. 601. This title may be cited as the "Neighborhood Reinvestment Corporation Act". 42 USC 8101 note.

FINDINGS AND PURPOSE

SEC. 602. (a) The Congress finds that— 42 USC 8101.

(1) the neighborhood housing services demonstration of the Urban Reinvestment Task Force has proven its worth as a successful program to revitalize older urban neighborhoods by mobilizing public, private, and community resources at the neighborhood level; and

(2) the demand for neighborhood housing services programs in cities throughout the United States warrants the creation of a public corporation to institutionalize and expand the neighborhood housing services program and other programs of the present Urban Reinvestment Task Force.

(b) The purpose of this title is to establish a public corporation which will continue the joint efforts of the Federal financial supervisory agencies and the Department of Housing and Urban Development to promote reinvestment in older neighborhoods by local financial institutions working cooperatively with community people and local government, and which will continue the nonbureaucratic approach of the Urban Reinvestment Task Force, relying largely on local initiative for the specific design of local programs.

ESTABLISHMENT OF CORPORATION

SEC. 603. (a) There is established a National Neighborhood Reinvestment Corporation (hereinafter referred to as the "corporation") which shall be a body corporate and shall possess the powers, and shall be subject to the direction and limitations specified herein. 42 USC 8102.

(b) The corporation shall implement and expand the demonstration activities carried out by the Urban Reinvestment Task Force. Duties.

(c) The corporation shall maintain its principal office in the District of Columbia or at such other place the corporation may from time to time prescribe. Offices.

(d) The corporation, including its franchise, activities, assets, and income, shall be exempt from all taxation now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority, except that any real property of the corporation shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

BOARD OF DIRECTORS; ESTABLISHMENT

SEC. 604. (a) The corporation shall be under the direction of a board of directors made up of the following members: Membership. 42 USC 8103.

(1) the Chairman of the Federal Home Loan Bank Board;

(2) the Secretary of Housing and Urban Development;

(3) a member of the Board of Governors of the Federal Reserve System, to be designated by the Chairman of the Board of Governors of the Federal Reserve System;

(4) the Chairman of the Federal Deposit Insurance Corporation;

(5) the Comptroller of the Currency; and

(6) the Administrator of the National Credit Union Administration.

Chairman.

(b) The Board shall elect from among its members a chairman who shall serve for a term of two years, except that the Chairman of the Federal Home Loan Bank Board shall serve as Chairman of the Board of Directors for the first such two-year term.

(c) Each director of the corporation shall serve ex officio during the period he holds the office to which he is appointed by the President.

Compensation and expenses.

(d) The directors of the corporation, as full-time officers of the United States, shall serve without additional compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of their duties as directors of the corporation.

(e) The directors of the corporation shall adopt such bylaws, policies, and administrative provisions as are necessary to the functioning of the corporation and consistent with the provisions of this title.

Quorum.

(f) The presence of a majority of the board members shall constitute a quorum.

(g) The corporation shall be subject to the provisions of section 552 of title 5, United States Code.

(h) All meetings of the board of directors will be conducted in accordance with the provisions of section 552b of title 5, United States Code.

OFFICERS AND EMPLOYEES

42 USC 8104.

SEC. 605. (a) The board shall have power to select, employ, and fix the compensation and benefits of such officers, employees, attorneys, and agents as shall be necessary for the performance of its duties under this title, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, classification, and General Schedule pay rates, except that no officer, employee, attorney, or agent of the corporation may be paid compensation at a rate in excess of the highest rate provided for GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(b) The directors of the corporation shall appoint an executive director who shall serve as chief executive officer of the corporation.

(c) The executive director of the corporation, subject to approval by the board, may appoint and remove such employees of the corporation as he determines necessary to carry out the purposes of the corporation.

(d) No political test or political qualification shall be used in selecting, appointing, promoting, or taking any other personnel action with respect to any officer, agent, or employee of the corporation or of any recipient, or in selecting or monitoring any grantee, contractor, or person or entity receiving financial assistance under this title.

(e) Officers and employees of the corporation shall not be considered officers or employees of the United States, and the corporation shall not be considered a department, agency, or instrumentality of the Federal Government. The corporation shall be subject to administrative and cost standards issued by the Office of Management and Budget similar to standards applicable to non-profit grantees and educational institutions.

POWERS AND DUTIES

SEC. 606. (a)(1) The corporation shall continue the work of the Urban Reinvestment Task Force in establishing neighborhood housing services programs in neighborhoods throughout the United States, supervising their progress, and providing them with grants and technical assistance. For the purpose of this paragraph, a neighborhood housing services program may involve a partnership of neighborhood residents and representatives of local governmental and financial institutions, organized as a State-chartered non-profit corporation, working to bring about reinvestment in one or more neighborhoods through a program of systematic housing inspections, increased public investment, increased private lending, increased resident investment, and a revolving loan fund to make loans available at flexible rates and terms to homeowners not meeting private lending criteria.

Housing services programs, continuation. 42 USC 8105.

(2) The corporation shall continue the work of the Urban Reinvestment Task Force in identifying, monitoring, evaluating, and providing grants and technical assistance to selected neighborhood preservation projects which show promise as mechanisms for reversing neighborhood decline and improving the quality of neighborhood life.

Preservation projects.

(3) The corporation shall experimentally replicate neighborhood preservation projects which have demonstrated success, and after creating reliable developmental processes, bring the new programs to neighborhoods throughout the United States which in the judgment of the corporation can benefit therefrom, by providing assistance in organizing programs, providing grants in partial support of program costs, and providing technical assistance to ongoing programs.

(4) The corporation shall continue the work of the Urban Reinvestment Task Force in supporting Neighborhood Housing Services of America, a nonprofit corporation established to provide services to local neighborhood housing services programs, with support which may include technical assistance and grants to expand its national loan purchase pool and may contract with it for services which it can perform more efficiently or effectively than the corporation.

(5) The corporation shall, in making and providing the foregoing grants and technical and other assistance, determine the reporting and management restrictions or requirements with which the recipients of such grants or other assistance must comply. In making such determinations, the corporation shall assure that recipients of grants and other assistance make available to the corportion such information as may be necessary to determine compliance with applicable Federal laws.

(b) To carry out the foregoing purposes and engage in the foregoing activities, the corporation is authorized—

(1) to adopt, alter, and use a corporate seal;

(2) to have succession until dissolved by Act of Congress;

(3) to make and perform contracts, agreements, and commitments;

(4) to sue and be sued, complain and defend, in any State, Federal, or other court;

(5) to determine its necessary expenditures and the manner in which the same shall be incurred, allowed, and paid, and appoint, employ, and fix and provide for the compensation of consultants, without regard to any other law, except as provided in section 608(d);

(6) to settle, adjust, and compromise, and with or without compensation or benefit to the corporation to release or waive in whole

or in part, in advance or otherwise, any claim, demand, or right of, by, or against the corporation;

(7) to invest such funds of the corporation in such investments as the board of directors may prescribe;

(8) to acquire, take, hold, and own, and to deal with and dispose of any property; and

(9) to exercise all other powers that are necessary and proper to carry out the purposes of this title.

Contracts and grants.

(c)(1) The corporation may contract with the Office of Neighborhood Reinvestment of the Federal home loan banks for all staff, services, facilities, and equipment now or in the future furnished by the Office of Neighborhood Reinvestment to the Urban Reinvestment Task Force, including receiving the services of the Director of the Office of Neighborhood Reinvestment as the corporation's executive director.

(2) The corporation shall have the power to award contracts and grants to—

(A) neighborhood housing services corporations and other nonprofit corporations engaged in neighborhood preservation activities; and

(B) local governmental bodies.

Services and facilities.

(3) The Secretary of Housing and Urban Development, the Federal Home Loan Bank Board and the Federal home loan banks, the Board of Governors of the Federal Reserve System and the Federal Reserve banks, the Federal Deposit Insurance Corporation, and the Comptroller of the Currency, the National Credit Union Administration or any other department, agency, or other instrumentality of the Federal Government are authorized to provide services and facilities, with or without reimbursement, necessary to achieve the objectives and to carry out the purposes of this title.

(d)(1) The corporation shall have no power to issue any shares of stocks, or to declare or pay any dividends.

(2) No part of the income or assets of the corporation shall inure to the benefit of any director, officer, or employee, except as reasonable compensation for services or reimbursement for expenses.

(3) The corporation may not contribute to or otherwise support any political party or candidate for elective public office.

REPORTS AND AUDITS

Transmittal to President and Congress.
42 USC 8106.

SEC. 607. (a) The corporation shall publish an annual report which shall be transmitted by the corporation to the President and the Congress.

(b) The accounts of the corporation shall be audited annually. Such audits shall be conducted in accordance with generally accepted auditing standards by independent certified public accountants who are certified by a regulatory authority of the jurisdiction in which the audit is undertaken.

(c) In addition to the annual audit, the financial transactions of the corporation for any fiscal year during which Federal funds are available to finance any portion of its operations may be audited by the General Accounting Office in accordance with such rules and regulations as may be prescribed by the Comptroller General of the United States. The financial transactions of the corporation shall be audited by the General Accounting Office at least once during each three years.

(d) For any fiscal year during which Federal funds are available to finance any portion of the corporation's grants or contracts, the General Accounting Office, in accordance with such rules and regulations as may be prescribed by the Comptroller General of the United States, may audit the grantees or contractors of the corporation.

(e) The corporation shall conduct or require each grantee or contractor to provide for an annual financial audit. The report of each such audit shall be maintained for a period of at least five years at the principal office of the corporation.

AUTHORIZATION

SEC. 608. (a) There are authorized to be appropriated to the corporation to carry out this title not to exceed $12,500,000 for fiscal year 1979. Appropriation authorization. 42 USC 8107.

(b) Funds appropriated pursuant to this section shall remain available until expended.

(c) Non-Federal funds received by the corporation, and funds received by any recipient from a source other than the corporation, shall be accounted for and reported as receipts and disbursements separate and distinct from Federal funds.

(d) The corporation shall prepare annually a business-type budget which shall be submitted to the Office of Management and Budget, under such rules and regulations as the President may establish as to the date of submission, the form and content, the classifications of data, and the manner in which such budget program shall be prepared and presented. The budget of the corporation as modified, amended, or revised by the President shall be transmitted to the Congress as a part of the annual budget required by the Budget and Accounting Act, 1921. Amendments to the annual budget program may be submitted from time to time. Annual budget submittal. Transmittal to Congress. 31 USC 1.

TITLE VII—NEIGHBORHOOD SELF-HELP DEVELOPMENT

Neighborhood Self-Help Development Act of 1978.

SHORT TITLE

SEC. 701. This title may be cited as the "Neighborhood Self-Help Development Act of 1978". 42 USC 8121 note.

FINDINGS AND PURPOSE

SEC. 702. (a) The Congress finds and declares that— 42 USC 8121.

(1) existing urban neighborhoods are a national resource to be conserved and revitalized wherever possible, and that public policy should promote governmental and private programs and activities that further that objective;

(2) to be effective, neighborhood conservation and revitalization efforts must involve the fullest possible support and participation of those most directly affected at the neighborhood levels; and

(3) an effective way to obtain such support and participation at the neighborhood level is through neighborhood organizations accountable to residents of a particular neighborhood with a demonstrable capacity for developing, assessing, and carrying out projects for neighborhood conservation and revitalization.

(b) Therefore, the purposes of this title are (1) to provide grants and other forms of assistance to qualified neighborhood organizations to undertake specific housing, economic or community development, and other appropriate neighborhood conservation and revitalization projects in low- and moderate-income neighborhoods, which are in need of preservation and revitalization, and (2) in the process of pro-

viding such assistance, to increase the capacity of neighborhood organizations to utilize and coordinate resources available from the public and private sectors and from the residents and neighborhoods themselves, in conserving and revitalizing such neighborhoods.

DEFINITIONS

42 USC 8122.

SEC. 703. As used in this title—

(1) the term "neighborhood organization" means a voluntary, nonprofit organization which (A) is broadly representative of the neighborhood in which the project will be located (and may include representatives of local business, financial and other governmental and nongovernmental entities), (B) is accountable to neighborhood residents with respect to the project being proposed, (C) has an objective the preservation and revitalization of such neighborhood, and (D) is found by the Secretary to have a proven record or demonstrable capacity for developing resources for, and effectively implementing neighborhood conservation and revitalization programs and projects;

(2) the term "neighborhood conservation and revitalization projects" includes, but is not limited to, (A) locally initiated programs for housing rehabilitation or the creative reuse or improvement of existing housing; (B) conservation and revitalization of neighborhood retail business areas and the recycling of vacant or underutilized industrial sites, public facilities, and privately-owned businesses for the purpose of expanding employment opportunities and neighborhood economic development; and (C) energy conservation and weatherization projects; and

(3) the term "Secretary" means the Secretary of Housing and Urban Development.

AUTHORITY TO PROVIDE ASSISTANCE

Grants.
42 USC 8123.

SEC. 704. (a) The Secretary is authorized to make grants and to provide other forms of assistance to neighborhood organizations for effectively preparing and implementing specific housing, economic and community development, and other appropriate neighborhood conservation and revitalization projects within a particular neighborhood, and to assist such organizations in implementing such projects in partnership with local government and other public and private entities.

(b) Grants and other forms of assistance may be made available under this section only if—

(1) the assistance will be used for a specific project which is related to and supportive of a conservation or revitalization strategy for the neighborhood in which the project will be located;

(2) the project will, to the extent feasible, include a self-help component which involves a contribution of time or resources by neighborhood residents;

(3) the project will directly benefit the residents of a low- or moderate-income neighborhood;

(4) the project will, to the extent feasible, involve leveraging of resources available from the private sector;

(5) the project will, to the extent feasible, involve the coordination of resources available from the local, State, or Federal Government;

(6) the applicant demonstrates that the residents of the neighborhood where the project will be located, and particularly residents who will be directly affected by the project, have been actively involved in and supportive of the selection of the project, and will continue to be involved in project development, implementation, and evaluation through an effective and continuing participation mechanism; and

(7) the applicant provides evidence that identified funding sources support the project and can make funds available contingent on the progress of the project.

(c) Grants and other forms of assistance made available under this section shall be used primarily for preparing and the implementation of specific neighborhood housing, economic, and community development projects. No grant or other assistance or portion thereof shall be made available under this section for (1) planning functions which are not directly combined with project implementation, (2) a public works project such as street repair which is not associated with the specific project being funded under this section, (3) operation of a social service program which is not associated with the specific project being funded under this section, (4) an economic development project which will not primarily benefit the residents of the neighborhood in which it will be located, (5) operating costs of a community group which are not associated with the specific project being funded under this section, or (6) other purposes which the Secretary may determine are not consistent with the purposes of this title.

(d) Grants and other forms of assistance may be made available under this title only if the application contains a certification by the unit of general local government within which the neighborhood to be assisted is located that such assistance is consistent with, and supportive of the specific objectives of that unit of government including housing and community development, economic development, and neighborhood conservation or revitalization activities being carried out by such unit.

(e) The Secretary shall consult with the heads of other Federal departments and agencies having responsibilities related to the purposes of this title, including the Community Services Administration, with respect to (1) general standards, policies, and procedures to be followed in the administration of this title, and (2) particular assistance actions or approvals which the Secretary believes to be of special interest or concern to one or more of such departments and agencies. The Secretary shall ensure the close coordination of activities assisted under this title with other related Federal, State, and local assistance programs, including the programs of the Community Services Administration, and, with respect to particular assistance actions or approvals, ensure a maximum commitment by the neighborhood organization of its own financial and other resources toward the assisted project. Consultation and coordination.

APPROPRIATIONS

SEC. 705. There are authorized to be appropriated for the purpose of carrying out this title not to exceed $15,000,000 for each of the fiscal years 1979 and 1980. Any amount appropriated pursuant to this section shall remain available until expended. 42 USC 8124.

Livable Cities Act of 1978.

TITLE VIII—LIVABLE CITIES

SHORT TITLE

42 USC 8141 note.

SEC. 801. This title may be cited as the "Livable Cities Act of 1978".

FINDINGS

42 USC 8141.

SEC. 802. The Congress finds and declares—

(1) that artistic, cultural, and historic resources, including urban design, constitute an integral part of a suitable living environment for the residents of the Nation's urban areas, and should be available to all residents of such areas, regardless of income;

(2) that the development or preservation of such resources is a significant and necessary factor in restoring and maintaining the vitality of the urban environment, and can serve as a catalyst for improving decaying or deteriorated urban communities and expanding economic opportunities, and for creating a sense of community identity, spirit, and pride; and

(3) that the encouragement and support of local initiatives to develop or preserve such resources, particularly in connection with federally assisted housing or community development activities or in communities with a high proportion of low-income residents, is an appropriate function of the Federal Government.

PURPOSE

42 USC 8142.

SEC. 803. The primary purpose of this title is to assist the efforts of States, local governments, neighborhood and other organizations to provide a more suitable living environment, expand cultural opportunities, and to the extent practicable, stimulate economic opportunities, primarily for the low and moderate income residents of communities and neighborhoods in need of conservation and revitalization, through the utilization, design or development of artistic, cultural, or historic resources.

DEFINITIONS

42 USC 8143.

SEC. 804. For the purpose of this title—

(1) the terms "art" and "arts" include, but are not limited to, architecture (including preservation, restoration, or adaptive use of existing structures), landscape architecture, urban design, interior design, graphic arts, fine arts (including painting and sculpture), performing arts (including music, drama, and dance), literature, crafts, photography, communications media and film, as well as other similar activities which reflect the cultural heritage of the Nation's communities and their citizens;

(2) the term "nonprofit organization" means an organization in which no part of its net earnings inures to the benefit of any private stockholder or stockholders, individual or individuals and, if a private entity, which is not disqualified for tax exemption under section 501(c)(3) of the Internal Revenue Code of 1954 by reason of attempting to influence legislation and does not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office; such organizations may include States and units of local government (including public agencies or special authorities thereof), regional organizations of local gov-

26 USC 501.

ernments and nonprofit societies, neighborhood groups, institutions, organizations, associations or museums;

(3) the term "project" means a program or activity intended to carry out the purposes of this title, including programs for neighborhood and community-based arts programs, urban design, user needs design, and the encouragement of the preservation of historic or other structures which have neighborhood or community significance;

(4) the term "Secretary" means the Secretary of Housing and Urban Development;

(5) the term "Chairman" means the Chairman of the National Endowment for the Arts;

(6) the term "Department" means the Department of Housing and Urban Development; and

(7) the term "Endowment" means the National Endowment for the Arts.

GRANTS TO OR CONTRACTS WITH ORGANIZATIONS

SEC. 805. (a) The Secretary is authorized to make grants to, or enter into contracts with, nonprofit organizations for the purpose of enabling such organizations to undertake or support in cities, urban communities, or neighborhoods, projects which the Secretary, in consultation with the Chairman, determines will carry out the purposes of this title and which— 42 USC 8144.

(1) have substantial artistic, cultural, historical, or design merit,

(2) represent community or neighborhood initiatives which have a significant potential for conserving or revitalizing communities or neighborhoods, and for enhancing community or neighborhood identity and pride, and

(3) meet the criteria established jointly by the Secretary and the Chairman pursuant to this section.

(b) The Secretary and the Chairman shall establish jointly criteria and procedures for evaluating and selecting projects to be assisted under this title. Such criteria shall address, but need not be limited to— Assistance, criteria and procedures, joint establishment.

(1) artistic, cultural, historical, or design quality;

(2) the degree of broadly based, active involvement of neighborhood residents, community groups, local officials, and persons with expertise in the arts with the proposed project;

(3) the degree of or the potential for utilization or stimulation of assistance or cooperation from other Federal, State, and local public and private sources, including arts organizations;

(4) the feasibility of project implementation, including the capability of the sponsor organization;

(5) the potential contribution to neighborhood revitalization and the creation of a sense of community identity and pride;

(6) the potential for stimulating neighborhood economic and community development, particularly for the benefit of persons of low and moderate income; and

(7) the potential of utilization of the project by neighborhood residents, particularly residents of low and moderate income, senior citizens, and handicapped persons.

(c) No assistance shall be made under this title except upon application therefor submitted to the Secretary in accordance with regulations and procedures established jointly by the Secretary and the Chairman.

Consultation.

(d) Prior to the approval of any application for assistance under this title, the Secretary shall consult with the Chairman and, in accordance with regulations and procedures established jointly by the Secretary and the Chairman, seek the recommendations of State and local officials and private citizens who have broad knowledge of, or experience or expertise in, community and economic development and revitalization, and of such officials and citizens who have broad knowledge of, or expertise in, the arts.

Regulations.

(e) The Secretary, in cooperation with the Chairman, shall prescribe regulations which require that specific portions of the cost of any projects assisted under this title shall be provided from sources other than funds made available under this title. Such matching requirements may vary depending on the type of applicant, and the Secretary may reduce or waive such requirements solely in order to take account of the financial capacity of the applicant.

Reduction or waiver.

Certification.

(f) Grants and other assistance may be made available under this title only if the application contains a certification by the unit of general local government in which the project will be located that the project is consistent with and supportive of the objectives of that government for the area in which the project is located.

(g) Funds made available under this title shall not be used to supplant other public or private funds.

(h) No more than 10 per centum of the funds appropriated for any fiscal year under section 807 shall be available for administrative expenses.

COORDINATION AND DEVELOPMENT OF PROGRAM WITH OTHER FEDERAL AND NONFEDERAL PROGRAMS

42 USC 8145.

SEC. 806. The Secretary shall coordinate the administration of the provisions of this title in cooperation with other Federal agencies and assure that projects assisted under this title are coordinated with efforts undertaken by State and local public and private entities, including arts organizations.

AUTHORIZATION OF APPROPRIATIONS

42 USC 8146.

SEC. 807. There are authorized to be appropriated for carrying out the purposes of this title not to exceed $5,000,000 for fiscal year 1979, and not to exceed $10,000,000 for fiscal year 1980. Any amounts appropriated under this section shall remain available until expended.

TITLE IX—MISCELLANEOUS

REPORT ON MOBILE HOME CONSTRUCTION AND SAFETY STANDARDS

42 USC 5425.

SEC. 901. (a) The first sentence of section 626(a) of the National Mobile Home Construction and Safety Standards Act of 1974 is amended—

(1) by striking out "March 1 of each year" and inserting in lieu thereof "July 1 of every other year beginning with calendar year 1978"; and

(2) by striking out "preceding calendar year" and inserting in lieu thereof "two preceding calendar years".

(b) The second sentence of section 626(a) of such Act is amended by striking out "such year" in clauses (1), (2), and (5) and "the year" in clause (6) and inserting in lieu thereof "such years" in each such clause.

STATEMENT OF POLICY AND STUDY ON HOUSING DISPLACEMENT

SEC. 902. The Congress declares that in the administration of Federal housing and community development programs, consistent with other program goals and objectives involuntary displacement of persons from their homes and neighborhoods should be minimized. In furtherance of the objective stated in the preceding sentence, the Secretary of Housing and Urban Development shall conduct a study on the nature and extent of such displacement, and, not later than January 31, 1979, shall report to the Congress on recommendations for the formulation of a national policy to minimize involuntary displacement caused by the implementation of the Department's programs, and to alleviate the problems caused by displacement of residents of the Nation's cities due to residential and commercial development and housing rehabilitation, both publicly and privately financed. In carrying out such study, the Secretary shall (1) consult with representatives of affected public interest groups, government, and the development and lending industries; (2) provide data on the nature and scope of the displacement problem, both past and projected, and identify steps needed to improve the availability of such data; and (3) report fully on the current legal and regulatory powers and policies of the Department to prevent or compensate for displacement caused by its own programs.

42 USC 5313 note.

Report to Congress.

REHABILITATION GUIDELINES

SEC. 903. Title V of the Housing and Urban Development Act of 1970 is amended by adding at the end thereof the following:

"REHABILITATION GUIDELINES

"SEC. 511. (a)(1) The Secretary shall develop model rehabilitation guidelines for the voluntary adoption by States and communities to be used in conjunction with existing building codes by State and local officials in the inspection and approval of rehabilitated properties.

12 USC 1701z-10.

"(2) Such guidelines shall be developed in consultation with the National Institute of Building Sciences, appropriate national organizations of agencies and officials of State and local governments, representatives of the building industry, and consumer groups, and other interested parties.

Consultation.

"(3) The Secretary shall publish such guidelines for public comment not later than one year after the date of enactment of this section, and promulgate them no later than eighteen months after such date of enactment.

Publication.

"(4) The Secretary may furnish technical assistance to State and local governments to facilitate the use and implementation of such guidelines.

"(b) The Secretary shall report to Congress not later than thirty-six months after the date of enactment of this section regarding (1) actions taken by State and local governments to adopt guidelines or their equivalents, and (2) recommendations for further action.".

Report to Congress.

ALASKA HOUSING PROGRAM

SEC. 904. (a) Subsection (a) of section 1004 of the Demonstration Cities and Metropolitan Development Act of 1966 is amended to read as follows:

Loans and grants. 42 USC 3371.

"(a) The Secretary of Housing and Urban Development (hereinafter referred to as the 'Secretary') may make loans and grants on

the basis of need to the regional native housing authorities duly constituted under the laws of the State of Alaska for the purpose of providing planning assistance, housing rehabilitation, and maintaining an adequate administrative structure in conjunction with the provision of housing and related facilities for Alaska residents.".

(b) Subsection (b) of such section is amended by inserting before the period at the end thereof the following: ", except that the Secretary may make a grant in excess of such limitation in any case, after consultation with State officials".

PAPERWORK REDUCTION

42 USC 3541.

SEC. 905. (a) The Congress finds and declares—

(1) that various departments, agencies, and instrumentalities of the Federal Government with responsibilities involving housing and housing finance programs, require, approve, use or otherwise employ a variety of different forms as residential mortgages (or deeds of trust or similar security instruments) as notes secured by those mortgages, and for applications, appraisals and other purposes, and that such duplication of forms constitutes a paperwork burden that adds to the costs imposed on the Nation's homeowners and home buyers;

(2) that unnecessary paperwork impairs the effectiveness of Federal housing and housing finance programs;

(3) that both single-family and multi-family programs are affected; and

(4) that simplification of paperwork imposed by Federal housing and housing finance programs would contribute to achieving the Nation's housing goals by reducing housing costs.

(b)(1) Insofar as it is practicable and to the extent permitted by law and to the extent that such action would result in a reduction in paperwork and regulatory burden, the Department of Housing and Urban Development and the Veterans' Administration shall employ in their respective programs—

(A) uniform single-family and multi-family note and mortgage forms;

(B) a uniform application form for mortgage approval and commitment for mortgage insurance;

(C) a uniform form for computation of the monthly net effective income of applicants;

(D) a uniform property appraisal form;

(E) a uniform settlement statement which shall satisfy the requirements of the Real Estate Settlement Procedures Act; and

(F) such other consolidated or simplified forms, the consolidation or simplification of which the Secretary of Housing and Urban Development and the Administrator of Veterans' Affairs mutually agree would contribute to a reduction in the paperwork and regulatory burden of housing and housing finance programs administered by the agencies.

(2) Each agency may employ riders, addenda, or similar forms of modification agreements to adapt such uniform forms to its respective programs and policies, consistent with the goals of minimizing the use and extent of such modification agreements and maximizing the suitability of such forms for the use of all participants, public and private.

(3) To the extent permitted by law, the President may require the Farmers Home Administration and the Administrator of the Farmers Home Administration to comply with the requirements of this section

if such compliance will contribute to a reduction in the paperwork and regulatory burden of housing and housing finance programs administered by the agency.

(c) The Director of the Office of Management and Budget shall coordinate and monitor the development and implementation by Federal departments and agencies of the efforts required by subsection (b) and shall report to the Congress on such development and implementation as part of each report required under Public Law 93-556. Implementation, report to Congress.

HOUSING PRODUCTION REPORT

SEC. 906. Section 1603 of the Housing and Urban Development Act of 1968 is amended to read as follows: 42 USC 1441c.

"REPORT ON GOALS

"SEC. 1603. Not later than January 20 of each year, the President shall transmit to the Congress a report which— Transmittal to Congress.

"(1) reviews the progress made in achieving housing production objectives during the preceding year, and in the event that proposed objectives are not achieved, identifies the reasons for the failure;

"(2) projects the level, composition, and general location of production and rehabilitation activity during the current year, and reassesses the availability of required resources;

"(3) specifies Federal programs and policies to be implemented or recommended in order to achieve the objective;

"(4) updates estimates of the housing needs of lower income families, analyzing these needs, insofar as possible, by type of household, housing need, including households with specialized needs, and general location, and in addition, reassesses the capacity of each Federal housing program to serve the needs identified;

"(5) reviews the progress made in achieving goals of conserving and upgrading older housing and neighborhoods, expanding homeownership and equal housing opportunities, and assuring reasonable shelter costs;

"(6) reports on progress made toward developing new methods for measuring and monitoring progress in achieving these goals; and

"(7) identifies legislative and administrative actions which will or should be adopted or implemented during the current year to support achievement of the goals.".

AMENDMENTS TO INTERSTATE LAND SALES FULL DISCLOSURE ACT

SEC. 907. (a) Section 1403(a) of the Interstate Land Sales Full Disclosure Act is amended— 15 USC 1702.

(1) by inserting "condominium," after "commercial." in clause (3);

(2) by inserting after "'adverse claims' do not refer to" in clause (10) the following: "United States land patents or Federal grants and reservations similar to United States land patents, nor to"; and

(3) by striking out the matter which precedes "when—" in clause (11) and inserting in lieu thereof the following:

"(11) the sale or lease of real estate which is zoned by the appropriate governmental authority for industrial or commercial development or which is restricted to such use by a declaration of covenants, conditions, and restrictions which has been recorded in the official records of the city or county in which such real estate is located,".

15 USC 1702.

(b) Section 1403 of such Act is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) thereof the following:

"(b) Unless the method of disposition is adopted by the purpose of evasion of this title, the requirements of sections 1405 through 1408 shall not apply to the sale or lease of a lot which is located within a municipality or county where a unit of local government specifies minimum standards for the development of subdivision lots taking place within its boundaries, when—

15 USC 1704–1707.

"(1) the subdivision meets all local codes and standards and is either zoned for single family residences or, in the absence of a zoning ordinance, is limited exclusively to single family residences;

"(2) the lot is situated on a paved, public street or highway which has been built to a standard acceptable to the unit of local government in which the subdivision is located or a bond or other surety acceptable to the municipality or county in the full amount of the cost of the improvements has been posted to assure completion to such standards and the unit of local government has accepted or is obligated to accept the responsibility of maintaining the public street or highway;

"(3) at the time of closing, potable water, sanitary sewage disposal, and electricity have been extended to the lot or the unit of local government is obligated to install such facilities within 180 days. For subdivisions which do not have a central water or sewage disposal system, rather than installation of water or sewer facilities, there must be assurances that an adequate potable water supply is available year-round and that the lot is approved for the installation of a septic tank;

"(4) the contract of sale requires delivery of a warranty deed to the purchaser within 180 days after the signing of the sales contract;

"(5) a policy of title insurance is issued in connection with the transaction showing that, at the time of closing, title to the lot purchased or leased is vested in the seller or lessor subject only to such exceptions as may be approved in writing by the purchaser or lessee prior to recordation of the deed or execution of the lease;

"(6) each and every purchaser or spouse has made a personal, on the lot inspection of the lot purchased or leased, prior to signing of a contract to purchase or lease; and

"(7) there are no direct mail or telephone solicitations or offers of gifts, trips, dinners, or other such promotional techniques to induce prospective purchasers or lessees to visit the subdivision or to purchase or lease a lot.".

COST-BENEFIT ANALYSIS OF FIELD REORGANIZATIONS

SEC. 908. Section 7 of the Department of Housing and Urban Development Act is amended by adding at the end thereof the following: 42 USC 3535.

"(p) A plan for the reorganization of any regional, area, insuring, or other field office of the Department of Housing and Urban Development may take effect only upon the expiration of 90 days after publication in the Federal Register of a cost-benefit analysis of the effect of the plan on each office involved. Such cost-benefit analysis shall include, but not be limited to—

"(1) an estimate of cost savings supported by background information detailing the source and substantiating the amount of the savings;

"(2) an estimate of the additional cost which will result from the reorganization;

"(3) a study of the impact on the local economy; and

"(4) an estimate of the effect of the reorganization on the availability, accessibility, and quality of services provided for recipients of those services.

where any of the above factors cannot be quantified, the Secretary shall provide a statement on the nature and extent of those factors in the cost-benefit analysis.".

Approved October 31, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-1161 accompanying H.R. 12433 (Comm. on Banking, Finance, and Urban Affairs) and No. 95-1792 (Comm. of Conference).

SENATE REPORT No. 95-871 (Comm. on Banking, Housing, and Urban Affairs).

CONGRESSIONAL RECORD, Vol. 124 (1978):

July 19, 20, considered and passed Senate.

June 23, 28, 29, July 20, 21, H.R. 12433 considered and passed House.

July 24, considered and passed House, amended, in lieu of H.R. 12433.

Oct. 14, Senate agreed to conference report.

Oct. 15, House agreed to conference report.

39-194 O—80—pt. 2——54 : QL3

Public Law 95-558
95th Congress

An Act

Nov. 1, 1978
[S. 3595]

To amend section 202(d) of the Magnuson-Moss Warranty—Federal Trade Commission Improvement Act to extend the deadline for filing a report of rulemaking procedures.

Rulemaking procedures report.
Filing deadline, extension.
15 USC 57a note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 202(d) of the Magnuson-Moss Warranty—Federal Trade Commission Improvement Act is amended by striking out "July 5, 1978", and inserting in lieu thereof "June 30, 1979".

Approved November 1, 1978.

LEGISLATIVE HISTORY:

CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 12, considered and passed Senate.
Oct. 13, considered and passed House.

Public Law 95-559
95th Congress

An Act

To amend the Public Health Service Act to revise and extend the program of assistance under that Act for health maintenance organizations.

Nov. 1, 1978
[S. 2534]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Health Maintenance Organization Amendments of 1978.

SHORT TITLE, REFERENCE TO ACT

SECTION 1. (a) This Act may be cited as the "Health Maintenance Organization Amendments of 1978". 42 USC 201 note.

(b) Whenever in this Act (other than in section 14) an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act. 42 USC 201 note.

EXTENSION OF PROGRAM

SEC. 2. (a) Section 1304(j) is amended (1) by striking out "may be made through September 30, 1978;", and (2) by striking out "1979" and inserting in lieu thereof "1981". 42 USC 300e-3.

(b) Section 1305(d) is amended by striking out "1980" and inserting in lieu thereof "1981". 42 USC 300e-4.

(c) Section 1309(a) is amended (1) by striking out "and" after "1977,", and (2) by striking out the semicolon and all that follows in that section and inserting in lieu thereof the following: ", $31,000,000 for the fiscal year ending September 30, 1979, $65,000,000 for the fiscal year ending September 30, 1980, and $68,000,000 for the fiscal year ending September 30, 1981.". 42 USC 300e-8.

INITIAL DEVELOPMENT

SEC. 3. (a) The first sentence of section 1304(b)(2) is amended by striking out "includes" and inserting in lieu thereof "means the establishment of a health maintenance organization, the expansion of the services of a health maintenance organization, or the". 42 USC 300e-3.

(b)(1) The first sentence of section 1304(b)(3) is amended by striking out "in the one-year period beginning on" and inserting in lieu thereof "incurred in a period not to exceed three years from".

(2) The second sentence of such section is repealed.

(c)(1) Subparagraph (A) of section 1304(f)(2) is amended to read as follows:

"(A) $1,000,000 through September 30, 1979, and $2,000,000 thereafter, or".

(2) Section 1304(f) is amended—

(A) by striking out "The amount" in paragraph (2) and inserting in lieu thereof "Except as provided in paragraph (3), the amount";

(B) by striking out "(except as provided in paragraph (3))" in paragraph (2); and

(C) by inserting after "(3)" in paragraph (3) the following: "The cumulative total of grants made to, contracts entered into with, and principal of loans guaranteed for, a health maintenance

organization under subsection (b) of this section may not exceed $1,000,000 through September 30, 1979, or $2,000,000 thereafter.".

Effective date. 42 USC 300e-3 note.

(d) The amendments made by this section shall only be effective for fiscal years beginning on or after October 1, 1978.

INITIAL OPERATING LOANS AND LOAN GUARANTEES

42 USC 300e-4.

SEC. 4. (a) Section 1305(b)(1) is amended by—

(1) striking out "$2,500,000" and inserting in lieu thereof "$2,500,000 (or $4,000,000 if the Secretary makes a written determination that such loans or loan guarantees are necessary to preserve the fiscally sound operation of the health maintenance organization and to protect against the risk of insolvency of the health maintenance organization and, within 30 days of the making of such loans or loan guarantees, furnishes the Committee on Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives with written notification of the making of the loans or loan guarantees and a copy of the written determination made with respect to the loans or loan guarantees and the reasons for the determination) through September 30, 1979, and $4,000,000 thereafter"; and

(2) striking out "$1,000,000" and inserting in lieu thereof "$1,000,000 (or $2,000,000 if the Secretary makes a written determination that such disbursements are necessary to preserve the fiscally sound operation of the health maintenance organization and protect against the risk of insolvency of the health maintenance organization and, within 30 days of such disbursement, furnishes the Committee on Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives with written notification of the making of the disbursement and a copy of the written determination made with respect to it and the reasons for the determination) through September 30, 1979, and $2,000,000 thereafter".

(b)(1) Section 1305(a) is amended by striking out "operating costs" each place it occurs and inserting in lieu thereof "costs of operation".

(2) The second sentence of section 1305(b)(1) is amended by striking out "any fiscal year" and inserting in lieu thereof "any twelve-month period".

(3) The title of section 1305 is amended by striking out "OPERATION COSTS" and inserting in lieu thereof "COSTS OF OPERATION".

42 USC 300e-7.

(c)(1) Section 1308 is amended by adding at the end the following new subsection:

"(f) The Secretary may take such action as he deems appropriate to protect the interest of the United States in the event of a default on a loan made or guaranteed under this title, including taking possession of, holding, and using real property pledged as security for such a loan or loan guarantee.".

(2)(A) Subsection (d) of section 1308 is amended (i) by inserting before the period in the first sentence of paragraph (1) the following: "and to take the action authorized by subsection (f)", and (ii) by inserting after "under this title" in the first sentence of paragraph (2) the following: "and to take the action authorized by subsection (f)".

(B) The first sentence of subsection (e) of section 1308 is amended by inserting before the period the following: "and to take the action authorized by subsection (f)".

(d) The amendments made by this section shall only be effective for fiscal years beginning on or after October 1, 1978. Effective date. 42 USC 300e-4 note

LOANS AND LOAN GUARANTEES FOR ACQUISITION AND CONSTRUCTION OF AMBULATORY HEALTH CARE FACILITIES

SEC. 5. (a) Title XIII is amended by inserting after section 1305 the following new section: 42 USC 300e.

"LOANS AND LOAN GUARANTEES FOR ACQUISITION AND CONSTRUCTION OF AMBULATORY HEALTH CARE FACILITIES

"SEC. 1305A. (a) The Secretary may— 42 USC 300e-4a. 42 USC 300e-7.

"(1) make loans, from the fund established under section 1308 (e), to public and nonprofit private health maintenance organizations for projects for the acquisition or construction of ambulatory health care facilities and for the acquisition of equipment for facilities acquired or constructed under a loan made under this paragraph; and

"(2) guarantee to—

"(A) non-Federal lenders for their loans to nonprofit private health maintenance organizations for projects described in paragraph (1) and to private health maintenance organizations for such projects which will serve medically underserved populations, and

"(B) the Federal Financing Bank for its loans to nonprofit private health maintenance organizations for projects described in paragraph (1) and to private health maintenance organizations for such projects which will serve medically underserved populations,

the payment of principal and interest on such loans.

"(b)(1) Except as provided in paragraph (2), the aggregate amount of principal of loans made or guaranteed, or both, under subsection (a) for an ambulatory health care facility may not exceed $2,500,000. Principal of loans, limitation.

"(2) The cumulative total of the principal of the loans outstanding at any time which have been directly made or with respect to which guarantees have been issued under subsection (a) may not exceed such limitations as may be specified in appropriation Acts. Cumulative total, limitation.

"(3) The authority of the Secretary to make loans under subsection (a) shall be effective for any fiscal year only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(c) For purposes of this section—

"(1) The term 'ambulatory health care facility' means a health care facility for the provision of diagnostic, treatment, and prevention services to ambulatory patients; and "Ambulatory health care facility."

"(2) the term 'construction' means the (A) construction of new facilities, (B) alterations, expansion, remodeling, replacement, and renovation of existing facilities, (C) cost of offsite improvements in connection with an activity described in clause (A) or (B), and (D) cost of the acquisition of land in connection with an activity described in clause (A), (B), or (C).". "Construction."

(b) Section 1313(4) is amended by inserting before the period the following: "or in meeting the costs of such organizations in acquiring or constructing ambulatory health care facilities". 42 USC 300e-12.

CONTINUING DEVELOPMENT ASSISTANCE

42 USC 300e-3.

SEC. 6. Section 1304(b) is amended by adding after paragraph (3) the following new paragraph:

42 USC 300e-9.

"(4) A health maintenance organization which is a qualified health maintenance organization within the meaning of section 1310(d) may receive, in accordance with paragraph (1), a grant, contract, or loan guarantee for the expansion of its services or the significant expansion of its membership or the area served by it.".

TRAINING AND TECHNICAL ASSISTANCE

42 USC 300e.

SEC. 7. (a) Title XIII is amended by adding at the end thereof the following new section:

"TRAINING AND TECHNICAL ASSISTANCE

National Health Maintenance Organization Intern Program. Establishment. 42 USC 300e-16.

"SEC. 1317. (a)(1) The Secretary shall establish a National Health Maintenance Organization Intern Program (hereinafter in this subsection referred to as the 'Program') for the purpose of providing training to individuals to become administrators and medical directors of health maintenance organizations or to assume other managerial positions with health maintenance organizations. Under the Program the Secretary may directly provide internships for such training and may make grants to or enter into contracts with health maintenance organizations and other entities to provide such internships.

"(2) No internship may be provided by the Secretary and no grant may be made or contract entered into by the Secretary for the provision of internships unless an application therefor has been submitted to and approved by the Secretary. Such an application shall be in such form and contain such information, and be submitted to the Secretary in such manner, as the Secretary shall prescribe. Section 1306 does not apply to an application submitted under this section.

Travel and other expenses. Payments to organization or other entity.

"(3) Internships under the Program shall provide for such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the recipients of the internships as the Secretary deems necessary. An internship provided an individual for training at a health maintenance organization or any other entity shall also provide for payments to be made to the organization or other entity for the cost of support services (including the cost of salaries, supplies, equipment, and related items) provided such individual by such organization or other entity. The amount of any such payments to any organization or other entity shall be determined by the Secretary and shall bear a direct relationship to the reasonable costs of the organization or other entity for establishing and maintaining its training programs.

"(4) Payments under grants under the Program may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

Technical assistance. 42 USC 300e-2, 300e-3. 42 USC 300e-9.

"(b) The Secretary shall provide technical assistance (1) to entities in connection with projects for which assistance is being provided under section 1303 or 1304, (2) to entities intending to become a qualified health maintenance organization within the meaning of section 1310(d), and (3) to health maintenance organizations. The Secretary may provide such technical assistance through grants to public and nonprofit private entities and contracts with public and private entities.

"(c) The authority of the Secretary to enter into contracts under subsections (a) and (b) shall be effective for any fiscal year only to such extent or in such amounts as are provided in advance by appropriation Acts.".

(b) Section 1309(a) is amended by striking out "and 1304(b)" and inserting in lieu thereof "1304(b), and 1317". 42 USC 300e-8. *Ante* p. 2134.

(c) The amendments made by this section shall only be effective for fiscal years beginning on or after October 1, 1978. 42 USC 300e-16 note.

EMPLOYEE HEALTH BENEFIT PLANS

SEC. 8. (a) Section 1310(c) is amended by adding at the end the following: "Each employer which provides payroll deductions as a means of paying employees' contributions for health benefits or which provides a health benefits plan to which an employee contribution is not required and which is required by subsection (a) to offer his employees the option of membership in a qualified health maintenance organization shall, with the consent of an employee who exercises such option, arrange for the employee's contribution for such membership to be paid through payroll deductions.". 42 USC 300e-9.

(b) Clauses (1) and (2) of section 1310(b) are amended to read as follows:

"(1) one or more of such organizations provides basic health services through physicians or other health professionals who are members of the staff of the organization or a medical group (or groups), and

"(2) one or more of such organizations provides basic health services through (A) an individual practice association (or associations), or (B) a combination of such association (or associations), medical group (or groups), staff, and individual physicians and other health professionals under contract with the organization,".

FINANCIAL DISCLOSURE; ENROLLMENT PROTECTION

SEC. 9. (a) Title XIII as amended by section 7 is amended by adding at the end the following new section: 42 USC 300e.

"FINANCIAL DISCLOSURE

"SEC. 1318. (a) Each health maintenance organization shall, in accordance with regulations of the Secretary, report to the Secretary financial information which shall include the following: 42 USC 300e-17.

"(1) Such information as the Secretary may require demonstrating that the health maintenance organization has a fiscally sound operation.

"(2) The information required to be reported under section 1124 of the Social Security Act by disclosing entities and the information required to be supplied under section 1902(a)(38) of such Act. 42 USC 1320a-3. 42 USC 1396a.

"(3) A description of transactions, as specified by the Secretary, between the health maintenance organization and a party in interest. Such transactions shall include—

"(A) any sale or exchange, or leasing of any property between the health maintenance organization and a party in interest;

"(B) any furnishing for consideration of goods, services (including management services, but excluding health services provided to members by staff, medical group (or groups), individual practice association (or associations), or any combination thereof), or facilities between the health maintenance organization and a party in interest; and

"(C) any lending of money or other extension of credit between a health maintenance organization and a party in interest.

Consolidated financial statement.

The Secretary may require that information reported respecting a health maintenance organization which controls, is controlled by, or is under common control with, another entity be in the form of a consolidated financial statement for the organization and such entity.

"Party in interest."

"(b) For the purposes of this section the term 'party in interest' means:

"(1) any director, officer, partner, or employee of a health maintenance organization, any person who is directly or indirectly the beneficial owner of more than 5 per centum of the equity of the organization, any person who is the beneficial owner of a mortgage, deed of trust, note, or other interest secured by, and valuing more than 5 per centum of the health maintenance organization, and, in the case of a health maintenance organization organized as a nonprofit corporation, an incorporator or member of such corporation under applicable State corporation law;

"(2) any entity in which a person described in paragraph (1)—

"(A) is an officer or director;

"(B) is a partner (if such entity is organized as a partnership);

"(C) has directly or indirectly a beneficial interest of more than 5 per centum of the equity; or

"(D) has a mortgage, deed of trust, note, on other interest valuing more than 5 per centum of the assets of such entity;

"(3) any person directly or indirectly controlling, controlled by, or under common control with a health maintenance organization; and

"(4) any member of the immediate family of an individual described in paragraph (1).

Information, availability.

"(c) Each health maintenance organization shall make the information reported pursuant to subsection (a) available to its enrollees upon reasonable request.

Evaluation of transactions.

"(d) The Secretary shall, as he deems necessary, conduct an evaluation of transactions reported to the Secretary under subsection (a)(3) for the purpose of determining their adverse impact, if any, on the fiscal soundness and reasonableness of charges to the health maintenance organization with respect to which they transpired. The Secretary shall evaluate the reported transactions of not less than five, or if there are more than twenty health maintenance organizations reporting such transactions, not less than one-fourth of the health maintenance organizations reporting any such transactions under subsection (a)(3).

Number of organizations.

Report to Congress.

"(e) The Secretary shall file an annual report with the Congress on the operation of this section. Such report shall include—

"(1) an enumeration of standards and norms utilized to make the evaluations required under subsection (d);

"(2) an assessment of the degree of conformity or nonconformity of each health maintenance organization evaluated by the Secretary under subsection (d) with such standards and norms;

Conformity, or nonconformity.

"(3) what action, if any, the Secretary considers necessary under section 1312 with respect to health maintenance organizations evaluated under subsection (d).

42 USC 300e-11.

"(f) Nothing in this section shall be construed to confer upon the Secretary any authority to approve or disapprove the rates charged by any health maintenance organization.

Rates.

"(g) Any health maintenance organization failing to file with the Secretary the annual financial statement required in subsection (a) shall be ineligible for any Federal assistance under this title until such time as such statement is received by the Secretary and shall not be a qualified health maintenance organization for purposes of section 1310.

Annual financial statement, filing.

42 USC 300e-9.

"(h) Whoever knowingly and willfully makes or causes to be made any false statement or representation of a material fact in any statement filed pursuant to this section shall be guilty of a felony and upon conviction thereof shall be fined not more than $25,000 or imprisoned for not more than five years, or both.".

False statement or representation of material fact, penalty.

(b) Section 1301(c)(3) is amended (1) by inserting "(A)" after "(3)", and (2) by inserting before the semicolon a comma and the following: "and (B) carry out enrollment of members who are entitled to medical assistance under a State plan approved under title XIX of the Social Security Act in accordance with procedures approved under regulations promulgated by the Secretary".

42 USC 300e.

42 USC 1396.

ORGANIZATION REQUIREMENTS

SEC. 10. (a) Section 1301(b) is amended (1) by inserting "except in the case of basic health services provided a member who is a full-time student (as defined by the Secretary) at an accredited institution of higher education," after "(C)" in paragraph (1), and (2) by inserting "unless the supplemental health services payment is for a supplemental health service provided a member who is a full-time student (as defined by the Secretary) at an accredited institution of higher education," after "community rating system" in the second sentence of paragraph (2).

42 USC 300e;

(b) Section 1301(c)(1) is amended (1) by inserting "(A)" after "(1)", and (2) by inserting before the semicolon a comma and the following: "and (B) have administrative and managerial arrangements satisfactory to the Secretary".

(c) Section 1301(c)(6) is amended (1) by striking out "(6)" and inserting in lieu thereof "(6)(A) in the case of a private health maintenance organization,", (2) by redesignating clauses (A) and (B) as subclauses (i) and (ii), respectively, and (3) by inserting before the semicolon a comma and the following: "and (B) in the case of a public health maintenance organization, have an advisory board to the policymaking body of the public entity operating the organization which board meets the requirements of clause (A) of this paragraph and to which may be delegated policymaking authority for the organization."

REQUIREMENTS FOR THE PROVISION OF SERVICES

42 USC 300e.

SEC. 11. (a) Paragraph (3) of section 1310(b) is amended to read as follows:

"(3)(A) Except as provided in subparagraph (B), the services of a physician which are provided as basic health services shall be provided through—

"(i) members of the staff of the health maintenance organization,

"(ii) a medical group (or groups),

"(iii) an individual practice association (or associations),

"(iv) subject to subparagraph (C), physicians or other health professionals who have contracted with the health maintenance organization for the provision of such services, or

"(v) any combination of such staff, medical group (or groups), individual practice association (or associations) or physicians or other health professionals under contract with the organization.

"(B)(i) Subparagraph (A) does not apply to the provision of the services of a physician—

"(I) which the health maintenance organization determines, in conformity with regulations of the Secretary, are unusual or infrequently used, or

"(II) which are provided a member of the organization in a manner other than that prescribed by subparagraph (A) because of an emergency which made it medically necessary that the service be provided to the member before it could be provided in a manner prescribed by subparagraph (A).

"(ii) In a forty-eight-month period beginning after the month in which a health maintenance organization becomes a qualified health maintenance organization (within the meaning of section 1310(d)), the organization may provide the services of physicians through an entity which but for the requirement of section 1302(4)(C)(i) would be a medical group for the purposes of this title. After the expiration of such period, the organization may provide physician services through such an entity only if authorized by the Secretary in accordance with regulations which take into consideration the unusual circumstances of such entity.

42 USC 300e-1.

Contracts with other than staff physicians, prohibition.

"(C) After the expiration of the first four fiscal years of a health maintenance organization beginning after the month in which it became a qualified health maintenance organization (within the meaning of section 1310(d)), the organization may not enter into contracts with physicians other than members of staff, medical groups, or individual practice associations if the amounts paid under such contracts for basic and supplemental health services provided by physicians exceed 15 per centum of the total estimated amount to be paid in such fiscal year by the health maintenance organization to physicians for the provision of basic and supplemental health services by physicians, or, if the health maintenance organization principally serves a rural area, 30 per centum of such amount, except that this subparagraph does not apply to the entering into contracts for the purchase of physician services through an entity which, but for the requirements of

section 1302(4)(C)(i), would be a medical group for the purposes of this title. 42 USC 300e-1.

"(D) Contracts between a health maintenance organization and health professionals for the provision of basic and supplemental health services shall include such provisions as the Secretary may require (including provisions requiring appropriate continuing education).

"(E) For purposes of this paragraph the term 'health professional' means physicians, dentists, nurses, podiatrists, optometrists, and such other individuals engaged in the delivery of health services as the Secretary may by regulation designate.". "Health professional."

(b) Section 1301(b)(1) is amended by adding at the end the following: "The requirements of this paragraph respecting the basic health services payment shall not apply to the provision of basic health services to a member for an illness or injury for which the member is entitled to benefits under a workmen's compensation law or an insurance policy but only to the extent such benefits apply to such services. For the provision of such services for an illness or injury for which a member is entitled to benefits under such a law, the health maintenance organization may, if authorized by such law, charge or authorize the provider of such services to charge, in accordance with the charges allowed under such law, the insurance carrier, employer, or other entity which under such law is to pay for the provision of such services or, to the extent that such member has been paid under such law for such services, such member. For the provision of such services for an illness or injury for which a member is entitled to benefits under an insurance policy, a health maintenance organization may charge or authorize the provider of such services to charge the insurance carrier under such policy or, to the extent that such member has been paid under such policy for such services, such member.". 42 USC 300e. Basic health service payment. Charges by health maintenance organization or provider of services.

(c) The second sentence of section 1301(b)(4) is amended to read as follows: "A member of a health maintenance organization shall be reimbursed by the organization for his expenses in securing basic and supplemental health services other than through the organization if the services were medically necessary and immediately required because of an unforeseen illness, injury, or condition.". Reimbursement.

(d) Section 1301(b) is amended by adding at the end the following new paragraph:

"(5) To the extent that a natural disaster, war, riot, civil insurrection, or any other similar event not within the control of a health maintenance organization (as determined under regulations of the Secretary) results in the facilities, personnel, or financial resources of a health maintenance organization not being available to provide or arrange for the provision of a basic or supplemental health service in accordance with the requirements of paragraphs (1) through (4) of this subsection, such requirements only require the organization to make a good-faith effort to provide or arrange for the provision of such service within such limitation on its facilities, personnel, or resources.". Natural disaster, war, riot, or other similar event.

(e) Section 1302(1) is amended by inserting before the second sentence the following: "Such term does not include a health service which the Secretary, upon application of a health maintenance organization, determines is unusual and infrequently provided and not neces- 42 USC 300e-1.

Publication in Federal Register.

sary for the protection of individual health. The Secretary shall publish in the Federal Register each determination made by him under the preceding sentence.".

ADMINISTRATION OF PROGRAM

Repeal. 42 USC 300e-9. Repeal. 42 USC 300e-11. 42 USC 300e-5.

SEC. 12. (a)(1) Subsection (h) of section 1310 is repealed.

(2) Subsection (c) of section 1312 is repealed.

(b) Section 1306(b)(2) is amended by inserting "in the case of an application for assistance under section 1304, 1305, or 1305A," before "he determines".

(c) Section 1306(b) is amended by adding at the end the following new sentence: "In determining, for purposes of paragraph (2), whether an applicant would be able to complete a project or undertaking without the assistance applied for, the Secretary shall not consider any asset of the applicant the obligation of which for such undertaking or project would jeopardize the fiscal soundness of the applicant.".

PROGRAM MANAGEMENT EVALUATION

42 USC 300e-13. Grant and loan programs. Report to Congress.

SEC. 13. Section 1314 is amended by adding at the end thereof the following new subsection:

"(d) The Comptroller General shall evaluate the adequacy and effectiveness of the policies and procedures of the Secretary for the management of the grant and loan programs established by this title and the adequacy of the amounts of assistance available under such programs and shall report to the Congress the results of such evaluation not later than May 1, 1979.".

AMENDMENTS TO THE SOCIAL SECURITY ACT

42 USC 1396a.

SEC. 14. (a)(1) Section 1902(a)(4) of the Social Security Act is amended (A) by striking out "and" at the end of clause (A), and (B) by inserting before the semicolon a comma and the following: "and (C) that each State or local officer or employee who is responsible for the expenditure of substantial amounts of funds under the State plan, each individual who formerly was such an officer or employee, and each partner of such an officer or employee shall be prohibited from committing any act, in relation to any activity under the plan, the commission of which, in connection with any activity concerning the United States Government, by an officer or employee of the United States Government, an individual who was such an officer or employee, or a partner of such an officer or employee is prohibited by section 207 or 208 of title 18, United States Code".

Effective date. 42 USC 1396a note.

(2)(A) Except as provided in subparagraph (B), the amendments made by paragraph (1) shall take effect one hundred and eighty days after the date of the enactment of this Act.

42 USC 1396.

(B) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary determines requires State legislation in order for the plan to meet the requirement added by the amendments made by paragraph (1), such amendments shall not apply with respect to such State plan before ninety days after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.

(b) Section 1122 of the Social Security Act is amended— 42 USC 1320a-1.

(1) by striking out "or health maintenance organizations" each place it occurs,

(2) by striking out "or health maintenance organizations" each place it occurs, and

(3) by striking out "or organization, or of any facility of such organization," in subsection (d)(2).

(c) Section 1903(m)(1)(B) of the Social Security Act is amended by striking out "shall be administered through the Assistant Secretary for Health and in the Office of the Assistant Secretary for Health, and the administration of such duties and functions". 42 USC 1396b.

Approved November 1, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-1479 accompanying H.R. 13655 (Comm. on Interstate and Foreign Commerce) and No. 95-1784 (Comm. of Conference).
SENATE REPORT No. 95-837 (Comm. on Human Resources).
CONGRESSIONAL RECORD, Vol. 124 (1978):
July 21, considered and passed Senate.
Sept. 25, H.R. 13655 considered and passed House; passage vacated and S. 2534, amended, passed in lieu.
Oct. 13, House agreed to conference report.
Oct. 14, Senate agreed to conference report.

Public Law 95-560
95th Congress

An Act

Nov. 1, 1978
[H.R. 8389]

Authorizing the President of the United States to present a gold medal to the widow of Robert F. Kennedy.

Mrs. Robert F. Kennedy.
Gold medal presentation, authorization.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized to present, in the name of Congress, an appropriate gold medal to Mrs. Robert F. Kennedy, in recognition of the distinguished and dedicated service which her late husband gave to the Government and to the people of the United States. For such purposes, the Secretary of the Treasury shall cause to be struck a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary. There is authorized to be appropriated the sum of $3,000 to carry out the provisions of this section.

Appropriation authorization.

SEC. 2. The Secretary of the Treasury is authorized to strike and make available for sale to the public—

(1) full-sized duplicates in bronze, and

(2) replicas in bronze, one and five-sixteenths inches in diameter,

of the medal authorized by section 1.

Approved November 1, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1601 (Comm. on Banking, Finance, and Urban Affairs).
SENATE REPORT No. 95-1316 (Comm. on Banking, Housing, and Urban Affairs).
CONGRESSIONAL RECORD, Vol. 124 (1978):

Sept. 26, considered and passed House.

Oct. 15, considered and passed Senate, amended; House disagreed to Senate amendment; Senate subsequently receded from amendment.

Public Law 95-561
95th Congress

An Act

To extend and amend expiring elementary and secondary education programs, and for other purposes.

Nov. 1, 1978
[H.R. 15]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Education Amendments of 1978".

Education Amendments of 1978.
20 USC 2701 note.

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TITLE I—AMENDMENT TO TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

SPECIAL EDUCATIONAL PROGRAMS AND PROJECTS FOR EDUCATIONALLY DEPRIVED CHILDREN

SEC. 101. (a) Title I of the Act entitled "An Act to strengthen and improve educational quality and educational opportunities in the Nation's elementary and secondary schools", approved April 11, 1965, as amended (Public Law 89-10, also known as the Elementary and Secondary Education Act of 1965), is amended to read as follows:

20 USC 821 note.

"TITLE I—FINANCIAL ASSISTANCE TO MEET SPECIAL EDUCATIONAL NEEDS OF CHILDREN

"DECLARATION OF POLICY

"SEC. 101. In recognition of the special educational needs of children of low-income families and the impact that concentrations of low-income families have on the ability of local educational agencies to support adequate educational programs, the Congress hereby declares it to be the policy of the United States to provide financial assistance (as set forth in the following parts of this title) to local educational agencies serving areas with concentrations of children from low-income families to expand and improve their educational programs by various means (including preschool programs) which contribute particularly to meeting the special educational needs of educationally deprived children. Further, in recognition of the special educational needs of children of certain migrant parents, of Indian children and of handicapped, neglected, and delinquent children, the Congress hereby declares it to be the policy of the United States to provide financial assistance (as set forth in the following parts of this title) to help meet the special educational needs of such children. 20 USC 2701.

"DURATION OF ASSISTANCE

"SEC. 102. During the period beginning October 1, 1978, and ending September 30, 1983, the Commissioner shall, in accordance with the provisions of this title, make payments to State educational agencies for grants made on the basis of entitlements created under this title. 20 USC 2702.

"PART A—PROGRAMS OPERATED BY LOCAL EDUCATIONAL AGENCIES

"Subpart 1—Basic Grants

"GRANTS—AMOUNT AND ELIGIBILITY

"SEC. 111. (a) AMOUNT OF GRANTS.—(1) There is authorized to be appropriated for each fiscal year for the purpose of this paragraph 1 per centum of the amount appropriated for such year for payments to States under part E (other than payments under such part to jurisdictions excluded from the term 'State' by this subsection, and payments pursuant to section 156), and there is authorized to be appropriated such additional sums as will assure at least the same level of funding under this title as in fiscal year 1976 for Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and to the Secretary of the Interior for payments pursuant to paragraphs (1) and (2) of subsection (d). The amount appropriated pursuant to this paragraph shall be allotted by the Commissioner (A) among Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands according to their respective need for grants under this part, and (B) to the Secretary of the Interior in the amount necessary (i) to make payments pursuant to paragraph (1) of subsection (d), and (ii) to make payments pursuant to paragraph (2) of subsection (d). The grant which a local educational agency in Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust

Appropriation authorization. 20 USC 2711.

Post, p. 2195.

Post, p. 2182.

Territory of the Pacific Islands is eligible to receive shall be determined pursuant to such criteria as the Commissioner determines will best carry out the purpose of this title.

"(2) (A) In any case in which the Commissioner determines that satisfactory data for that purpose are available, the grant which a local educational agency in a State is eligible to receive under this subpart for a fiscal year shall (except as provided in paragraph (3) be determined by multiplying the number of children counted under subsection (c) by 40 per centum of the amount determined under the next sentence. The amount determined under this sentence shall be the average per pupil expenditure in the State except that (i) if the average per pupil expenditure in the State is less than 80 per centum of the average per pupil expenditure in the United States, such amount shall be 80 per centum of the average per pupil expenditure in the United States, or (ii) if the average per pupil expenditure in the State is more than 120 per centum of the average per pupil expenditure in the United States, such amount shall be 120 per centum of the average per pupil expenditure in the United States.

"(B) In any case in which such data are not available, subject to paragraph (3), the grant for any local educational agency in a State shall be determined on the basis of the aggregate amount of such grants for all such agencies in the county or counties in which the school district of the particular agency is located, which aggregate amount shall be equal to the aggregate amount determined under subparagraph (A) for such county or counties, and shall be allocated among those agencies upon such equitable basis as may be determined by the State educational agency in accordance with the basic criteria prescribed by the Commissioner.

Grants for Puerto Rico.

"(C) For each fiscal year, the Commissioner shall determine the percentage which the average per pupil expenditure in Puerto Rico is of the lowest average per pupil expenditure of any of the fifty States. The grant which Puerto Rico shall be eligible to receive under this subpart for a fiscal year (exclusive of any amount received under paragraph (3)(D) shall be the amount arrived at by multiplying the number of children counted under subsection (c) for Puerto Rico by the product of—

"(i) the percentage determined under the preceding sentence, and

"(ii) 32 per centum of the average per pupil expenditure in the United States.

"(3) (A) Upon determination by the State educational agency that a local educational agency in the State is unable or unwilling to provide for the special educational needs of children described in clause (C) of paragraph (1) of subsection (c), who are living in institutions for neglected or delinquent children, the State educational agency shall, if it assumes responsibility for the special educational needs of such children, be eligible to receive the portion of the allocation to such local educational agency which is attributable to such neglected or delinquent children, but if the State educational agency does not assume such responsibility, any other State or local public agency, as determined by regulations established by the Commissioner, which does assume such responsibility shall be eligible to receive such portion of the allocation.

"(B) In the case of local educational agencies which serve in whole or in part the same geographical area, and in the case of a local educa-

tional agency which provides free public education for a substantial number of children who reside in the school district of another local educational agency, the State educational agency may allocate the amount of the grants for those agencies among them in such manner as it determines will best carry out the purposes of this title.

"(C) In any State in which a large number of local educational agencies overlap county boundaries, the State educational agency may apply to the Commissioner for authority during any particular fiscal year to make the allocations under this part (other than section 117) directly to local educational agencies without regard to the counties. If the Commissioner approves an application of a State educational agency for a particular year under this subparagraph, the State educational agency shall provide assurances that such allocations will be made using precisely the same factors for determining a grant as are used under this part and that a procedure will be established through which local educational agencies dissatisfied with the determinations made by the State educational agency may appeal directly to the Commissioner for a final determination.

"(D)(i) From one-half of any amount made available for this subpart for any fiscal year in excess of the amount made available for this subpart for fiscal year 1979, there shall be alloted to each State an amount which bears the same ratio to such excess as the product of—

"(I) the number of children in such State aged five to seventeen, inclusive, from families below 50 per centum of the median national income for four-person families from the 1975 survey of income and education conducted by the Bureau of the Census,

multiplied by—

"(II) 40 per centum of the amount determined under the second sentence of pragraph (2)(A) and, in the case of Puerto Rico, the product determined under subparagraph (C)(i) and (ii) of this paragraph.

bears to the sum of such products for all the States.

"(ii) In any case in which the Commissioner finds that a State's percentage decrease in children from low-income families exceeds 25 per centum between the 1970 decennial census, as adjusted, and the 1975 survey of income and education, the Commissioner shall allocate funds based on the most current valid data available or based on a resurvey of the affected State by the Bureau of the Census.

"(iii) From the amount allotted to each State under division (i), the amount which each local educational agency in that State shall be eligible to receive under this subparagraph shall be an amount which bears the same ratio to the total amount allotted to such State under this subparagraph as the amount such local educational agency receives under paragraph (2) bears to the total amount of funds made available to local educational agencies in such State under such paragraph.

"(E) From the remaining one-half of any amount made available for this subpart for any fiscal year in excess of the amount made available for this subpart for fiscal year 1979 after the application of subparagraph (D), there shall be allotted to each State an amount determined in accordance with paragraph (2) of this subsection.

"(4) For purposes of this subsection, the term 'State' does not include Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

"(b) MINIMUM NUMBER OF CHILDREN TO QUALIFY.—A local educational agency shall be eligible for a basic grant for a fiscal year under

this subpart only if it meets the following requirements with respect to the number of children counted under subsection (c):

"(1) In any case (except as provided in paragraph (3)) in which the Commissioner determines that satisfactory data for the purpose of this subsection as to the number of such children are available on a school district basis, the number of such children in the school district of such local educational agency shall be at least ten.

"(2) In any other case, except as provided in paragraph (3), the number of such children in the county which includes such local educational agency's school district shall be at least ten.

"(3) In any case in which a county includes a part of the school district of the local educational agency concerned and the Commissioner has not determined that satisfactory data for the purpose of this subsection are available on a school district basis for all the local educational agencies or all the counties into which the school district of the local educational agency concerned extends, the eligibility requirement with respect to the number of such children for such local educational agency shall be determined in accordance with regulations prescribed by the Commissioner for the purposes of this subsection.

"(c) CHILDREN TO BE COUNTED.—(1)(A) The number of children to be counted for purposes of this section, other than for subsection (a)(3)(D), is the aggregate of—

"(i) the number of children aged five to seventeen, inclusive, in the school district of the local educational agency from families below the poverty level as determined under paragraph (2)(A),

"(ii) the number of children aged five to seventeen, inclusive, in the school district of such agency from families above the poverty level as determined under paragraph (2)(B), subject to subparagraph (B) of this paragraph, and

"(iii) the number of children aged five to seventeen, inclusive, in the school district of such agency living in institutions for neglected or delinquent children (other than such institutions operated by the United States) but not counted pursuant to subpart 3 of part B for the purposes of a grant to a State agency, or being supported in foster homes with public funds.

"(B) For the purpose of division (ii) of subparagraph (A) of this paragraph the number of children aged five through seventeen, inclusive, in the school district of such agency from families above the poverty level as determined under paragraph (2)(B) shall be reduced by one-third for fiscal year 1979; except that such reduction shall not be applicable with respect to determinations made under section 117(b) of the number of children to be counted under this subsection.

"(2)(A) For the purposes of this section, the Commissioner shall determine the number of children aged five to seventeen, inclusive, from families below the poverty level on the basis of the most recent satisfactory data available from the Department of Commerce for local educational agencies (or, if such data are not available for such agencies, for counties); and in determining the families which are below the poverty level, the Commissioner shall utilize the criteria of poverty used by the Bureau of the Census in compiling the 1970 decennial census.

"(B) For purposes of this section, the Secretary shall determine the number of children aged five to seventeen, inclusive, from families above the poverty level on the basis of the number of such children from families receiving an annual income, in excess of the current cri-

teria of poverty, from payments under the program of aid to families with dependent children under a State plan approved under title IV of the Social Security Act; and in making such determinations the Secretary shall utilize the criteria of poverty used by the Bureau of the Census in compiling the 1970 decennial census for a nonfarm family of four in such form as those criteria have been updated by increases in the Consumer Price Index. The Secretary shall determine the number of such children and the number of children of such ages living in institutions for neglected or delinquent children, or being supported in foster homes with public funds, on the basis of the caseload data for the month of October of the preceding fiscal year (using, in the case of children described in the preceding sentence, the criteria of poverty and the form of such criteria required by such sentence which were determined for the calendar year preceding such month of October) or, to the extent that such data are not available to him before January of the calendar year in which the Secretary's determination is made, then on the basis of the most recent reliable data available to him at the time of such determination. 42 USC 601.

"(C) When requested by the Commissioner, the Secretary of Commerce shall make a special estimate of the number of children of such ages who are from families below the poverty level (as determined under subparagraph (A) of this paragraph) in each county or school district, and the Commissioner is authorized to pay (either in advance or by way of reimbursement) the Secretary of Commerce the cost of making this special estimate. The Secretary of Commerce shall give consideration to any request of the chief executive of a State for the collection of additional census information. For purposes of this section, the Secretary shall consider all children who are in correctional institutions to be living in institutions for delinquent children.

"(d) PROGRAM FOR INDIAN CHILDREN.—(1) From the amount allotted for payments to the Secretary of Interior under clause (B)(i) in the second sentence of subsection (a)(1), the Secretary of the Interior shall make payments to local educational agencies, upon such terms as the Commissioner determines will best carry out the purposes of this title with respect to out-of-State Indian children in the elementary and secondary schools of such agencies under special contracts with the Department of the Interior. The amount of such payment may not exceed, for each such child, 40 per centum of (A) the average per pupil expenditure in the State in which the agency is located or (B) 120 per centum of such expenditure in the United States, whichever is the greater.

"(2) The amount allotted for payments to the Secretary of the Interior under clause (B)(ii) in the second sentence of subsection (a)(1) for any fiscal year shall be, as determined pursuant to criteria established by the Commissioner the amount necessary to meet the special educational needs of educationally deprived Indian children on reservations serviced by elementary and secondary schools operated for Indian children by the Department of the Interior. Such payment shall be made pursuant to an agreement between the Commissioner and the Secretary containing such assurances and terms as the Commissioner determines will best achieve the purposes of this title. Such agreement shall contain (A) an assurance that payments made pursuant to this subparagraph will be used solely for programs and projects approved by the Secretary of the Interior which meet the applicable requirements of subpart 3 of this part and that the Department of the Inte- Agreement.

rior will comply in all other respects with the requirements of this title, and (B) provision for carrying out the applicable provisions of subpart 3 of this part and sections 171 and 172.

Post, pp. 2161, 2187.

"TREATMENT OF EARNINGS FOR PURPOSES OF AID TO FAMILIES WITH DEPENDENT CHILDREN

20 USC 2712. 42 USC 601. 42 USC 602.

"SEC. 112. Notwithstanding the provisions of title IV of the Social Security Act, a State plan approved under section 402 of such Act shall provide that for a period of not less than twelve months, and may provide that for a period of not more than twenty-four months, the first $85 earned by any person in any month for services rendered to any program assisted under this title of this Act shall not be regarded (1) in determining the need of such person under such approved State plan or (2) in determining the need for any other individual under such approved State plan.

"Subpart 2—Special Grants

"SPECIAL INCENTIVE GRANTS

20 USC 2721.

"SEC. 116. (a) ELIGIBILITY.—(1) Each local educational agency that is eligible to receive a payment under section 111 for any fiscal year shall be entitled to an additional grant under this section for that fiscal year if it is located in a State which has in effect for that fiscal year a State program meeting the requirements of paragraph (2) under which financial assistance is provided to meet the special education needs of educationally deprived children.

"(2) A State program meets the requirements of this subsection if, under State law—

"(A) the program meets the requirements of section 131(c); and

"(B) not less than 50 per centum of the funds expanded under the program in any school district of any local educational agency in the State in the fiscal year preceding any fiscal year in which the State receives a payment under this subpart is expended in school attendance areas of such agencies having high concentrations of children from low-income families.

"(b) AMOUNT OF GRANTS.—(1) Except as provided in paragraph (3), the aggregate amount to which the local educational agencies in a State are entitled under this section for any fiscal year shall be 50 per centum of the amount of State funds expended, in the most recent fiscal year for which data are available, under a State program meeting the requirements of paragraph (2) of subsection (a) of this section.

"(2) The amount of the additional grant for each local educational agency in a State under this section for any fiscal year shall bear the same ratio to the amount allocated to such State under subsection (o) of this section as the amount allocated to such local educational agency under section 111 of this title for such fiscal year bears to the aggregate amount allocated to all local educational agencies in the State under section 111 for such fiscal year.

"(3) The aggregate amount which the local educational agencies in a State shall be eligible to receive under this section for any fiscal year shall not exceed 10 per centum of the aggregate amount which all local

educational agencies in such State are eligible to receive under section 111 of this title for such fiscal year.

"(4) Each State which desires to receive payments under this section shall develop a system for determining the data required by subparagraph (2)(B) of subsection (a) of this section relating to the percentage of State funds expended in school attendance areas having high concentrations of children from low-income families and required by paragraph (1) of this subsection relating to the amount of State funds expended under the State program referred to in that paragraph. The State shall submit to the Commissioner such information as the Commissioner may request concerning that system.

Information, submittal to Commissioner.

"(c) PAYMENTS; USE OF FUNDS.—(1) Except as provided in paragraph (3), the Commissioner shall pay to each State for each fiscal year the aggregate amount to which the local educational agencies in such State are entitled under subsection (b) after any ratable reductions under subsection (d).

"(2) The total amount to which the local educational agencies in a State are entitled under this section for any fiscal year shall be added to the amount paid to such State under section 191 for such year. From the amount paid to it under this subsection, the State shall distribute to each local educational agency of the State the amount of its additional grant as determined under subsection (b)(2).

Post, p. 2195.

"(3) Whenever the expenditures made by a State in accordance with subsection (a) in a fiscal year equal or exceed expenditures in the preceding fiscal year, the amount paid to such State under this section shall, subject to subsection (d), not be less than the amount paid to such State under this section in the preceding fiscal year, and the total of any increases required under this paragraph shall be derived by proportionately reducing the amount paid to States which were not entitled to a payment under this section in the preceding fiscal year, except that the amount paid to a State under this section for any fiscal year shall not exceed the maximum amount to which such State is entitled for such fiscal year under paragraph (1) of subsection (b).

"(4) The amount paid to a local educational agency under this part shall be used by such agency for activities undertaken pursuant to its application submitted under section 121 and shall be subject to all other requirements in subpart 3 of this part.

"(d) RATABLE REDUCTIONS.—If the sums appropriated pursuant to subsection (e) for a fiscal year are not sufficient to pay in full the total amounts which all local educational agencies are entitled to receive under this section, the amount to be paid such agencies shall be ratably reduced to the extent necessary to bring such payments within the limits of the amounts so appropriated. In case additional funds become available for making payments under this section for that year, such reduced amounts shall be increased on the same basis that they were reduced.

"(e) APPROPRIATIONS.—There are authorized to be appropriated for the purposes of this section such sums as may be necessary for fiscal year 1980 and for the three succeeding fiscal years.

"GRANTS FOR LOCAL EDUCATIONAL AGENCIES IN COUNTIES WITH ESPECIALLY HIGH CONCENTRATIONS OF CHILDREN FROM LOW-INCOME FAMILIES

"SEC. 117. (a) PURPOSE.—It is the purpose of this section to provide additional assistance to local educational agencies in counties with

20 USC 2722.

especially high concentrations of children from low-income families to enable local educational agencies in such counties to provide more effective programs of instruction, especially in the basic skills of reading, writing, and mathematics, to meet the special educational needs of educationally deprived children.

"(b) ELIGIBILITY FOR AND AMOUNT OF SPECIAL GRANTS.—(1) Each county, in a State other than Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, which is eligible for a grant under this title for any fiscal year shall be entitled to an additional grant under this section for that fiscal year if—

"(A) the number of children counted under section 111(c) of this title for local educational agencies in such county for the preceding fiscal year exceeds five thousand, or

"(B) the number of children counted under section 111(c) exceeds 20 per centum of the total number of children aged five to seventeen, inclusive, in the school districts of local educational agencies in such county in that fiscal year,

except that no such State shall receive less than one-quarter of 1 per centum of the sums appropriated under subsection (d) for such section for such fiscal year.

"(2) For each county in which there are local educational agencies eligible to receive an additional grant under this section for any fiscal year the Commissioner shall determine the product of—

"(A) the number of children in excess of five thousand counted under section 111(c) for the preceding fiscal year or the number of children counted under that section in excess of 20 per centum of the total number of children aged five to seventeen, inclusive, in the school districts of local educational agencies in such county for that preceding fiscal year, whichever is greater, and

"(B) the quotient resulting from the division of the amount determined for those agencies under section 111(a)(2) of this title for the fiscal year for which the determination is being made divided by the total number of children counted under section 111(c) for that agency for the preceding fiscal year.

"(3) The amount of the additional grant to which an eligible county is entitled under this section for any fiscal year shall be an amount which bears the same ratio to the amount appropriated under subsection (d) for that fiscal year as the product determined under paragraph (2) for such county for that fiscal year bears to the sum of such products for all counties in the United States for that fiscal year.

"(4) For the purposes of this section, the Commissioner shall determine the number of children counted under section 111(c) for any county, and the total number of children aged five to seventeen, inclusive, in school districts of local educational agencies in such county, on the basis of the most recent satisfactory data available at the time the entitlement for such county is determined under section 111.

"(5) Funds allocated to counties under this part shall be allocated by the State educational agency, pursuant to regulations established by the Commissioner, among the several local educational agencies whose school districts lie (in whole or in part) within the county on the basis of the current distribution in the county of children aged five to seventeen, inclusive, from low-income families (using a poverty level selected by the State educational agency consistent with

the purposes of this title) as determined on the basis of the available data which such State educational agency determines best to reflect the current distribution in the county of children aged five to seventeen, inclusive, from low-income families, except that in determining the number of such children in any local educational agency in which less than 20 per centum of the children are from low-income families, each such child shall be counted as a fraction in which the numerator is the percentage of low-income children in the school district of that agency and the denominator is 20.

"(c) PAYMENTS; USE OF FUNDS.—(1) The total amount to which the counties in a State are entitled under this section for any fiscal year shall be added to the amount paid to that State under section 191 for such year. From the amount paid to it under this section, the State shall distribute to local educational agencies in each county of the State the amount (if any) to which it is entitled under this section. *Post*, p. 2195.

"(2) The amount paid to a local educational agency under this section shall be used by that agency for activities undertaken pursuant to its application submitted under section 121 and shall be subject to the other requirements in subpart 3 of this part.

"(d) APPROPRIATIONS.—There are authorized to be appropriated for the purposes of this section $400,000,000 for fiscal year 1979, and such sums as may be necessary for each of the four succeeding fiscal years.

"Subpart 3—Program Requirements and Applications

"LOCAL PROGRAM APPLICATION

"SEC. 121. A local educational agency may receive a grant under this title for any fiscal year if it has on file with the State educational agency a current application, approved by the State educational agency, describing the programs and projects to be conducted with assistance provided under this title for a period of not to exceed three fiscal years, including the fiscal year for which the grant is to be made. Such an application may be amended at any time to describe changes in or additions to the activities originally set forth in the application. An application or amendment thereto shall be approved by the State educational agency upon its determination that the application provides for the use of such funds in a manner which meets the requirements of this subpart and is consistent with the assurances contained in the general application required by section 436 of the General Education Provisions Act, subject to such basic criteria as the Commissioner may prescribe. 20 USC 2731. 20 USC 1232e.

"DESIGNATING SCHOOL ATTENDANCE AREAS

"SEC. 122. (a) GENERAL PROVISIONS.—(1) Except as provided in paragraph (2) and subsections (b), (c), (d), and (e) of this section, a local educational agency shall use funds received under this title in school attendance areas having high concentrations of children from low-income families (hereinafter referred to as 'eligible school attendance areas'), and where funds under this title are insufficent to provide programs and projects for all educationally deprived children in eligible school attendance areas, a local educational agency shall annually rank its eligible school attendance areas from highest to lowest, according to relative degree of concentration of children 20 USC 2732.

from low-income families. A local educational agency may carry on a program or project assisted under this title in an eligible school attendance area only if it also carries on such program or project in all other eligible school attendance areas which are ranked higher under the first sentence. A local educational agency may designate any school attendance area in which at least 25 per centum of the children are from low-income families as an eligible school attendance area if the aggregate amount expended under this title and under a State program meeting the requirements of section 131(c) in that fiscal year in each school attendance area of that agency in which projects assisted under this title were carried out in the preceding fiscal year equals or exceeds the amount expended from those sources in that area in such preceding fiscal year. The same measure of low income, which shall be chosen by the local educational agency and which may be a composite of several indicators, shall be used with respect to all such areas, both to identify the areas having high concentrations of children from low-income families and to determine the ranking of each area.

"(2)(A) Notwithstanding the provisions of paragraph (1), in the selection of eligible school attendance areas, a local educational agency may, subject to the requirements of subparagraph (B), choose to rank all its school attendance areas as provided in paragraph (1) and also rank all its school attendance areas according to educational deprivation, and then serve all its school attendance areas ranked according to paragraph (1) in the order of their ranking under such paragraph unless another school attendance area ranked according to education deprivation has a substantially greater number or a substantially greater percentage of educationally deprived children, in which case such school attendance area may be served before service is provided to other school attendance areas ranked pursuant to paragraph (1) which have a substantially smaller number or substantially smaller percentage of educationally deprived children. In the event that a local educational agency chooses to exercise the option provided under this paragraph, it shall not serve any more school attendance areas than the number identified pursuant to paragraph (1).

"(B) Any local educational agency desiring to use the alternative ranking system described in subparagraph (A) shall, with the consent of the district-wide parent advisory council of that agency, apply for permission to use such system to the State educational agency of the State wherein such local educational agency is located. Such application shall be approved by such State educational agency only if such State educational agency finds that the use of such alternative ranking system will not substantially impair the delivery of compensatory education services to educationally deprived children from low-income families in project areas served by such local educational agency. Whenever a school district exercises the option under this paragraph and actually serves one or more school attendance areas ranked under this paragraph, none of the areas so ranked but not served shall be considered to be eligible school attendance areas under this title.

"(b) USE OF ENROLLMENT DATA IN CERTAIN SCHOOLS.—A local educational agency may use funds received under this title for educationally deprived children who are in a school of such agency which is not located in an eligible school attendance area, but at which the proportion of children in actual average daily attendance who are

best copy available

from low-income families is substantially the same as the proportion of such children in such an area of that agency (hereinafter referred to as an 'eligible school').

"(c) CONTINUATION OF ELIGIBILITY FOR CERTAIN SCHOOL ATTENDANCE AREAS OR SCHOOLS.—An eligible school attendance area or an eligible school may be designated a project area under subsection (a) or a project school under subsection (b) for a fiscal year, even though it does not qualify under such subsections for that fiscal year, if such area or school was so designated in either of the two preceding fiscal years.

"(d) LOWER RANKED SCHOOL ATTENDANCE AREAS OR SCHOOLS HAVING SUBSTANTIALLY GREATER INCIDENCES OF EDUCATIONALLY DEPRIVED CHILDREN THAN HIGHER RANKED AREAS OR SCHOOLS.—The Commissioner shall issue regulations providing for an exception to subsection (a) permitting children in lower ranked eligible school attendance areas or eligible schools having substantially greater incidences of educational deprivation than areas or schools ranked higher under subsections (a) or (b) to receive assistance before such children in higher ranked areas or schools receive such assistance. Regulations.

"(e) SKIPPING HIGHER RANKED SCHOOL ATTENDANCE AREAS OR SCHOOLS RECEIVING SERVICES OF THE SAME NATURE AND SCOPE FROM NON-FEDERAL SOURCES.—The Commissioner shall issue regulations providing for an exception to subsection (a) or (b) permitting local educational agencies to skip higher ranked eligible school attendance areas or eligible schools receiving, from non-Federal funds, services of the same nature and scope as would otherwise be provided under this title. Whenever children residing in eligible areas and attending private elementary and secondary schools are ineligible for services of the same nature and scope from non-Federal sources, such children shall be selected for programs and projects under this title without regard to the provisions of this subsection. The number of children receiving services under this title who attend private elementary and secondary schools shall be determined in each local educational agency receiving assistance under this title without regard to non-Federal compensatory education funds which serve children in public elementary and secondary schools who are also eligible for assistance under this title. Children attending private elementary and secondary schools who receive assistance under this title shall be identified in accordance with this section and without regard to skipping higher ranked school attendance areas or schools receiving services of the same nature and scope from non-Federal sources. Regulations.

"CHILDREN TO BE SERVED

"SEC. 123. (a) GENERAL PROVISIONS.—Except as provided in subsections (b), (c), and (d) of this section and section 133, a local educational agency must use funds received under this title for educationally deprived children, identified in accordance with section 124(b) as having the greatest need for special assistance, in school attendance areas or schools satisfying the requirements of section 122. 20 USC 2733.

"(b) CONTINUATION OF ELIGIBILITY FOR EDUCATIONALLY DEPRIVED CHILDREN WHO ARE NO LONGER IN GREATEST NEED OF ASSISTANCE.—Whenever for a fiscal year, an educationally deprived child in a school attendance area or school satisfying the requirements of section 122, does not meet the requirement of subsection (a) requiring that he be

in greatest need of special assistance, but did not meet such requirement in any previous year, and is still educationally deprived, that child may participate in a program or project assisted under this title for the current fiscal year.

"(c) CONTINUATION OF ELIGIBILITY FOR EDUCATIONALLY DEPRIVED CHILDREN TRANSFERRED TO INELIGIBLE AREAS OR SCHOOLS IN THE SAME YEAR.—Educationally deprived children who begin participation in a program or project assisted under this title, in accordance with subsections (a) and (b) but who, in the same school year, are transferred to a school attendance area or school not receiving funds under this title, may, if the local agency so determines, continue to participate in a program or project funded under this title for the duration of that same school year.

"(d) SKIPPING CHILDREN DETERMINED TO BE IN GREATEST NEED OF ASSISTANCE WHO ARE RECEIVING SERVICES OF THE SAME NATURE AND SCOPE FROM NON-FEDERAL SOURCES.—The Commissioner shall issue regulations providing for an exemption to subsection (a) permitting local educational agencies, in providing services under this title, to skip educationally deprived children in greatest need of assistance who are receiving, from non-Federal sources, services of the same nature and scope as would otherwise be provided under this title.

Regulations.

"REQUIREMENTS FOR DESIGN AND IMPLEMENTATION OF PROGRAMS

20 USC 2734.

"SEC. 124. (a) PURPOSE OF PROGRAM.—A local educational agency may use funds received under this title only for programs and projects which are designed to meet the special educational needs of the children referred to in section 123. Such programs and projects may include the acquisition of equipment, payments to teachers of amounts in excess of regular salary schedules as a bonus for service in schools serving project areas, the training of teachers, and, where necessary, the construction of school facilities, and planning for such programs and projects.

"(b) ASSESSMENT OF EDUCATIONAL NEED.—A local educational agency may receive funds under this title only if it makes an assessment of educational needs each year to (1) identify educationally deprived children in all eligible attendance areas and to select those educationally deprived children who have the greatest need for special assistance; (2) identify the general instructional areas on which the program will focus; and (3) determine the special educational needs of participating children with specificity sufficient to facilitate development of high-quality programs and projects.

"(c) PLANNING.—A local educational agency may use funds received under this title for planning only if (1) the planning relates directly to programs or projects to be assisted under this title and has resulted, or is reasonably likely to result, in a program or project to be assisted under this title, and (2) such funds are needed because of the innovative nature of the program or project or because such agency lacks the resources necessary to plan adequately for programs and projects to be assisted under this title. The amount a local educational agency may use for plans for any fiscal year may not exceed 1 per centum of the amount determined for that agency for that year pursuant to section 111 or $2,000, whichever is greater.

"(d) SUFFICIENT SIZE, SCOPE, AND QUALITY.—A local educational agency may use funds received under this title only for programs and

projects which are of sufficient size, scope, and quality to give reasonable promise of substantial progress toward meeting the special educational needs of the children being served, and to this end such programs and projects must involve an expenditure of not less than $2,500, except that a State educational agency may reduce such $2,500 requirement for a local educational agency if it determines that it would be impossible, for reasons such as distance or difficulty of travel, for such local educational agency to join effectively with other local educational agencies for the purpose of meeting the requirement.

"(e) EXPENDITURES RELATED TO RANKING OF PROJECT AREAS AND SCHOOLS.—A local educational agency may receive funds under this title only if such funds are allocated among project areas or schools for programs and projects assisted under this title on the basis of the number and needs of children to be served as determined in accordance with section 123.

"(f) COORDINATION WITH OTHER PROGRAMS.—(1) A local educational agency may receive funds under this title only if it demonstrates that, in the development of its application, it has taken into consideration benefits and services which are or may be available through other public and private agencies, organizations, or individuals. The local educational agency shall also demonstrate that in order to avoid duplication of effort and to ensure that all programs and projects complement each other, it has considered suggestions and offers of assistance made by other agencies which may aid in carrying out or making more effective the program or project for which the application is made.

"(2) A local educational agency may use funds received under this title for health, social, or nutrition services for participating children under this title only if such agency has requested from the State educational agency assistance in locating and utilizing other Federal and State programs to provide such services.

"(g) EVALUATIONS.—A local educational agency may receive funds under this title only if—

"(1) effective procedures are adopted for evaluating, in accordance with the evaluation schedule promulgated by the Commissioner under section 183(g), the effectiveness of the programs assisted under this title in meeting the special educational needs of educationally deprived children; *Post*, p. 2189.

"(2) such evaluations will include, during each three-year period, the collection and analysis of data relating to the degree to which programs assisted under this title have achieved their goals, including the requirements of section 130, and will also include objective measurements of educational achievement in basic skills over at least a twelve-month period in order to determine whether regular school year programs have sustained effects over the summer; and

"(3) the evaluation will address the purposes of the programs, including the requirements of section 130, and the results of the evaluations will be utilized in planning for and improving projects and activities carried out under this title in subsequent years.

"(h) INFORMATION DISSEMINATION.—A local educational agency may receive funds under this title only if effective procedures are in existence for acquiring and disseminating to teachers and administrators significant information derived from educational research, demonstration, and similar projects, and for adopting, where appropriate, promising educational practices developed through such projects.

"(i) TEACHER AND SCHOOL BOARD PARTICIPATION.—A local educational agency may receive funds under this title only if teachers in schools participating in programs assisted under this title, and school boards or comparable authority responsible to the public with jurisdiction over the schools, have been involved in planning for those programs and will be involved in the evaluation thereof.

"(j) PARENT PARTICIPATION.—A local educational agency may receive funds under this title only if parents of children participating in programs assisted under this title are permitted to participate in the establishment of such programs and are informed of, and permitted to make recommendations with respect to, the instructional goals of the program and the progress of their children in such program, and such parents are afforded opportunities to assist their children in achieving such goals.

"(k) SUSTAINING GAINS.—A local educational agency may receive funds under this title only if, in developing programs to be assisted under this title, the local educational agency will give due consideration to the inclusion of components designed to sustain the achievements of children beyond the school year in which the program is conducted, through such means as summer programs and intermediate and secondary level programs.

"(l) TRAINING OF EDUCATION AIDES.—A local educational agency may receive funds under this title for programs and projects involving education aides, including volunteers, only if it has in effect well-developed plans providing for coordinated programs of training in which education aides, including volunteers, and the professional staff whom they are assisting will participate together.

Administration by public agency.

"(m) CONTROL OF FUNDS.—A local educational agency may receive funds under this title only if control of such funds, and title to property derived therefrom, is in a public agency for the uses and purposes provided in this title, and only if a public agency will administer such funds and property.

"(n) CONSTRUCTION.—A local educational agency may use funds received under this title for projects for construction of school facilities only if—

"(1) the project is not inconsistent with overall State plans for the construction of school facilities and the requirements of section 433 of the General Education Provisions Act are complied with on all such projects,

20 USC 1232b.

"(2) in developing plans for such facilities due consideration has been given to compliance with such standards as the Secretary may prescribe or approve in order to ensure that facilities constructed with the use of Federal funds under this title are, to the extent appropriate in view of the uses to be made of the facilities, accessible to and usable by, handicapped persons, and

"(3) in developing plans for such facilities, due consideration has been given to excellence of architecture and design, and inclusion of works of art (not representing more than 1 per centum of the cost of the project).

"(o) JOINTLY OPERATED PROGRAMS.—Two or more local educational agencies may, at their option, enter into an agreement for carrying out jointly operated programs and projects assisted under this title.

"PARENTAL INVOLVEMENT

"SEC. 125. (a) ESTABLISHMENT OF ADVISORY COUNCILS.—(1) A local educational agency may receive funds under this title only if it establishes an advisory council for its entire school district which— Advisory council for entire school district. 20 USC 2735.

"(A) has a majority of members who are parents of children to be served by projects assisted under this title; Membership.

"(B) is composed of members elected by the parents in each district; and

"(C) includes representatives of children and schools eligible to be served by, but not currently participating in, programs assisted with funds provided under this title.

"(2)(A) A local educational agency may receive funds under this title only if it establishes an advisory council for each project area or project school, except as provided in subparagraph (B), which— Advisory council for project area or project school.

"(i) has a majority of members who are parents of children to be served by programs assisted under this title, and Membership.

"(ii) is composed of members elected by the parents in each project area or project school.

"(B) In the case of any project area or project school in which not more than one full-time equivalent staff member is paid with funds provided under this title, and in which not more than forty students participate in such programs, the requirements of subparagraph (A) shall be waived. Waiver.

"(C) In the case of any project area or project school in which 75 or more students are served by programs assisted by funds provided under this title, each such project area or project school advisory council, in addition to meeting the requirements of subparagraph (A), shall— Additional requirements.

"(i) be composed of not less than 8 members, who shall serve for terms of two years, after which time they may be re-elected;

"(ii) elect officers of the council after it has been fully constituted; and

"(iii) meet a sufficient number of times per year, according to a schedule and at locations to be determined by such council.

"(3) Any individual who is a teacher at a school serving a project area or is a parent of a child residing in an eligible school attendance area or attending an eligible school shall be eligible to be elected as a member of the district-wide advisory councils established pursuant to paragraph (1), but nothing in this sentence shall preclude the eligibility of other individuals who are residents in that district. No individual who is a teacher at a project school or a school serving a project area shall be ineligible to be elected as a member of a district-wide or project area or school advisory council on the basis of residency outside such area or district.

"(b) RESPONSIBILITIES OF ADVISORY COUNCILS.—Each local educational agency shall give each advisory council which it establishes under subsection (a) responsibility for advising it in planning for, and implementation and evaluation of, its programs and projects assisted under this title.

"(c) ACCESS TO INFORMATION.—(1) Each local educational agency shall provide without charge to each member of an advisory council established by such an agency under subsection (a) of this section—

"(A) a copy of the text of this title,

"(B) a copy of any Federal regulations and guidelines issued under such title; and

"(C) a copy of appropriate State regulations and guidelines associated with this title.

"(2) Each State educational agency shall provide a copy of any report resulting from State or Federal auditing, monitoring, or evaluation activities in any district to the parent advisory council established pursuant to subsection (a)(1) in such district.

"(d) TRAINING PROGRAMS.—Each local educational agency application for funding under this title shall describe a program for training the members of advisory councils established pursuant to subsection (a) to carry out their responsibilities as described in subsection (b). Such training program—

"(1) shall be planned in full consultation with the members of such advisory councils;

"(2) shall provide each member of each such council with appropriate training materials; and

"(3) may permit the use of funds under this title for expenses associated with such training, including expenses associated with the attendance of such members at training sessions.

"(e) WORKSHOPS ON PARENTAL INVOLVEMENT.—For each fiscal year for which payments are made to State educational agencies under this title, the Commissioner shall sponsor workshops in the several regions of the United States which shall be designed to assist local educational agencies to work with and provide training to parent advisory councils established under subsection (a) of this section and to facilitate parental involvement in the programs conducted under this title. The workshops shall be planned and conducted in consultation with members of parent advisory councils in the region served by the workshop.

Report to Congress and the public.

"(f) ASSESSMENT OF PARENTAL INVOLVEMENT AND TRAINING.—The National Institute of Education shall assess the effectiveness of (1) various forms of parental involvement, including parent advisory councils, on school governance, student achievement, and other purposes of this title, and (2) various methods of training the members of parent advisory councils, and shall report the results of such assessments to the Congress and the public.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal year 1979 and for each succeeding fiscal year ending prior to October 1, 1983, such sums as may be necessary to carry out the provisions of subsections (e) and (f) of this section.

"FUNDS ALLOCATION

20 USC 2736.

"SEC. 126. (a) MAINTENANCE OF EFFORT.—(1) Except as provided in paragraph (2), a local educational agency may receive funds under this title for any fiscal year only if the State educational agency finds that the combined fiscal effort per student or the aggregate expenditures (as determined in accordance with regulations of the Commissioner) of that agency and the State with respect to the provision of free public education by that agency for the preceding fiscal year was not less than such combined fiscal effort per student or the aggregate expenditures for that purpose for the second preceding fiscal year.

"(2) The Commissioner may waive, for one fiscal year only, the requirements of this subsection if he determines that such a waiver

would be equitable due to exceptional and unforeseen circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the local educational agency. In any case in which a waiver under this paragraph is granted, the Commissioner shall reduce the amount of Federal payment for the program affected for the current fiscal year in the exact proportion to which the amount expended (either on an average per pupil or aggregate basis) was less than the amount required by paragraph (1). No level of funding permitted under such a waiver may be used as the basis for computing the fiscal effort required, under paragraph (1), for years subsequent to the year covered by such waiver. Such fiscal effort shall be computed on the basis of the level of funding which would, but for such waiver, have been required.

"(3) The Commissioner shall establish objective criteria of general applicability to carry out the waiver authority contained in this subsection. Criteria.

"(b) USE OF FUNDS LIMITED TO EXCESS COSTS.—Subject to the provisions of section 131, a local educational agency may use funds received under this title only for the excess costs of programs and projects referred to in section 124(a). As used in this subsection, the term 'excess costs' means costs directly attributable to programs and projects which exceed the average per pupil expenditure of a local educational agency in the most recent year for which satisfactory data are available for pupils in the grade or grades included in such programs or projects. "Excess costs."

"(c) FEDERAL FUNDS TO SUPPLEMENT, NOT SUPPLANT REGULAR NON-FEDERAL FUNDS.—A local educational agency may use funds received under this title only so as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available from regular non-Federal sources and from non-Federal sources for State phase-in programs described in section 131(b) for the education of pupils participating in programs and projects assisted under this title, and in no case may such funds be so used as to supplant such funds from such non-Federal sources.

"(d) FEDERAL FUNDS REQUIRED TO SUPPLEMENT, NOT SUPPLANT NON-FEDERAL FUNDS FOR CERTAIN SPECIAL STATE AND LOCAL PROGRAMS.—(1) Subject to section 132, a local educational agency may use funds received under this title only so as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for each of the special programs described in subsection (b) of section 131 for the education of educationally deprived children, in the aggregate, in eligible school attendance areas or attending eligible schools and in no case, as to supplant such funds from non-Federal sources.

"(2) It shall not be considered a violation of this subsection for a local educational agency, in carrying out a special program described in subsection (b) of section 131, to take into consideration funds made available under this title, and to coordinate such special programs with programs using such Federal funds, provided that educationally deprived children, in the aggregate, in eligible school attendance areas or attending eligible schools, receive at least the same level of such special State and local funds that would have been made available to such children in the absence of funds under this title.

"(3) For purposes of this subsection, the level of funds that, in the absence of funds under this title would have been made available to

such children shall be determined by reference to a plan for distributing such special funds. Such plan shall be based on objective criteria of need that do not discriminate against educationally deprived children, in the aggregate in eligible school attendance areas or attending eligible schools. The objective criteria chosen by the local educational agency shall prescribe, with particularity, the children as well as the schools, grade-spans, or school attendance areas eligible for assistance and the method for selecting the particular children who will receive assistance under such special State or local program and the schools or grade-spans which such children attend or the school attendance areas in which such children reside. The criteria for selecting children, schools, grade-spans, and school attendance areas for participation shall be either educational need, a reasonable proxy for educational need, level of poverty, or a combination of such factors. Educationally deprived children residing in eligible school attendance areas or attending eligible schools, satisfying such object criteria, must receive assistance under either this title or under such special State or local program before any child who does not satisfy such criteria receives such assistance.

"(e) COMPARABILITY OF SERVICES.—Subject to the provisions of section 131, a local educational agency may receive funds under this title only if State and local funds will be used in the district of such agency to provide services in project areas which, taken as a whole, are at least comparable to services being provided in areas in such district which are not receiving funds under this title. Where, under regulations of the Commissioner, all school attendance areas in the district of the agency are designated as project areas, the agency may receive such funds only if State and local funds are used to provide services which, taken as a whole, are substantially comparable, in accordance with regulations of the Commissioner, in each project area. Each local educational agency shall report on or before July 1 of each year with respect to its compliance with this subsection, except for local educational agencies which were not required to report upon the date of enactment of the Education Amendments of 1978, unless the Commissioner otherwise provides by regulation.

Ante, p. 2143.

"ACCOUNTABILITY

20 USC 2737.

"SEC. 127. (a) RECORDKEEPING.—Each local educational agency which receives funds under this title shall keep such records and afford such access thereto as the State educational agency shall prescribe, including records which fully disclose the amount and disposition of such funds, the total cost of programs and projects in connection with which such funds are used, the amount of the portion of the cost of the program or project supplied by other sources, and such other records as will facilitate an effective audit. Whenever a local educational agency carries on a single compensatory education program paid for out of funds under this title as well as State or local funds which meets all of the requirements of this title and whenever, under section 131, the local educational agency excludes expenditures from State and local sources in determining compliance with section 126 (b) and (e), the State educational agency need not require the Federal funds to be accounted for separately. In any proceeding, State or Federal, for the recoupment of any such funds which were misspent or misapplied, the percentage of the funds so misspent or misapplied which shall be

deemed to be Federal funds shall be equal to the percentage of the funds used, or intended for use, for the program or project which were Federal funds.

"(b) REPORTING.—Each local educational agency which receives funds under this title shall make an annual report and such other reports to the State educational agency, in such form and containing such information (which in the case of reports relating to performance is in accordance with specific performance criteria related to program objectives), as may be reasonably necessary to enable the State educational agency to perform its duties under this title, including information relating to the educational achievement of students participating in programs and projects assisted under this title.

"(c) ACCESS TO INFORMATION.—Each local educational agency which applies for or receives funds under this title shall make the application and all pertinent documents related thereto available to parents, teachers, and other members of the general public.

"COMPLAINT RESOLUTION

"SEC. 128. Each local educational agency which receives funds under this title shall develop and implement, in accordance with criteria prescribed by the Commissioner, written procedures for the resolution of complaints made to that agency by parent advisory councils, parents, teachers, or other concerned organizations or individuals concerning violations of this title, or of applicable provisions of the General Education Provisions Act in connection with programs under this title. Such procedures shall— Written procedures. 20 USC 2738.

"(1) provide specific time limits for investigation and resolution of complaints, which shall not exceed thirty days unless a longer period of time is provided by the State educational agency due to exceptional circumstances in accordance with regulations established by the Commissioner; Time limits.

"(2) provide an opportunity for the complainant or the complainant's representative, or both, to present evidence, including an opportunity to question parties involved; Presentation of evidence.

"(3) provide the right to appeal the final resolution of the local educational agency to the State educational agency within thirty days after receipt of the written decision; and Appeal of final resolution.

"(4) provide for the dissemination of information concerning these procedures to interested parties, including all district and school parent advisory councils. Dissemination of information.

"INDIVIDUALIZED PLANS

"SEC. 129. It is the intent of the Congress to encourage, whenever feasible, the development for each educationally deprived child participating in a program under this title of an individualized educational plan (maintained and periodically evaluated), agreed upon jointly by the local educational agency, the teacher, a parent or guardian of the child, and, when appropriate, the child. 20 USC 2739.

"PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS

"SEC. 130. (a) GENERAL REQUIREMENTS.—To the extent consistent with the number of educationally deprived children in the school district of the local educational agency who are enrolled in private 20 USC 2740.

elementary and secondary schools, such agency shall make provision for including special educational services and arrangements (such as dual enrollment, educational radio and television, and mobile educational services and equipment) in which such children can participate and meeting the requirements of sections 122 and 123, and subsections (a), (b), (d), and (l) of section 124, and subsection (c) of section 126. Expenditures for educational services and arrangements pursuant to this section for educationally deprived children in private schools shall be equal (taking into account the number of children to be served and the special educational needs of such children) to expenditures for children enrolled in the public schools of the local educational agency.

"(b) BY-PASS PROVISION.—(1) If a local educational agency is prohibited by law from providing for the participation in special programs for educationally deprived children enrolled in private elementary and secondary schools as required by subsection (a), the Commissioner shall waive such requirement, and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of subsection (a).

"(2) If the Commissioner determines that a local educational agency has substantially failed to provide for the participation on an equitable basis of educationally deprived children enrolled in private elementary and secondary schools as required by subsection (a), he shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of subsection (a), upon which determination the provisions of subsection (a) shall be waived.

"(3)(A) When the Commissioner arranges for services pursuant to this subsection, he shall, after consultation with the appropriate public and private school officials, pay to the provider the cost of such services, including the administrative cost of arranging for such services, from the appropriate allocation or allocations under this title.

"(B) Pending final resolution of any investigation or complaint that could result in a determination under this subsection, the Commissioner may withhold from the allocation of the affected State or local educational agency the amount he estimates would be necessary to pay the cost of such services.

"(C) Any determination by the Commissioner under this section shall continue in effect until the Commissioner determines that there will no longer be any failure or inability on the part of the local educational agency to meet the requirements of subsection (a).

Written notice.

"(4)(A) The Commissioner shall not take any final action under this subsection until the State educational agency and local educational agency affected by such action have had an opportunity, for at least forty-five days after receiving written notice thereof, to submit written objections and to appear before the Commissioner or his designee to show cause why such action should not be taken.

Petition.

"(B) If a State or local educational agency is dissatisfied with the Commissioner's final action after a proceeding under subparagraph (A) of this paragraph, it may within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

"(C) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(D) Upon the filing of a petition under subparagraph (B), the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. Jurisdiction.

"Subpart 4—Exemptions From Certain Program Requirements

"EXCLUSIONS FROM EXCESS COSTS AND COMPARABILITY PROVISIONS FOR CERTAIN SPECIAL STATE AND LOCAL PROGRAMS

"SEC. 131. (a) IN GENERAL.—For the purpose of determining compliance with the requirement of section 126(b) (relating to use of funds only for excess costs of programs and projects) and of section 126(e) (relating to comparability of services), a local educational agency may, at its option, exclude State and local funds expended for carrying out a special program or a State phase-in program. 20 USC 2751.

"(b) SPECIAL PROGRAM AND STATE PHASE-IN PROGRAM DEFINED.—For purposes of this section—

"(1) a special program is limited to—

"(A) a State compensatory education program which the Commissioner has determined in advance under subsection (e) meets the requirements of subsection (c) and which the State educational agency determines is being implemented by the local educational agency in accordance with subsection (c);

"(B) a State compensatory education program which the Commissioner has determined in advance under subsection (e) does not satisfy the requirements of subsection (c), but which he has determined permits the local educational agency, at its option, to use such special State funds in accordance with subsection (c), provided that the local educational agency designs a program which the State educational agency determines in advance under subsection (f) meets the requirements of subsection (c) and which the State educational agency determines will be implemented by the local educational agencies in accordance with subsection (c); or

"(C) a local compensatory education program which the State educational agency has determined in advance under subsection (f) meets the requirements of subsection (c) and which the State educational agency determines is being implemented in accordance with subsection (c); and

"(D) a bilingual program for children of limited English proficiency or special educational program for handicapped children or children with specific learning disabilities; and

"(2) a State phase-in program is a program which the Commissioner has determined in advance under subsection (e) meets the requirements of subsection (d) and which the State educational agency determines will be implemented by local educational agencies in accordance with subsection (d).

"(c) STATE AND LOCAL COMPENSATORY EDUCATION PROGRAMS SIMILAR TO TITLE I PROGRAMS.—A State or local program meets the requirements of this subsection if it is similar to programs assisted under this part. The Commissioner shall consider a State or local program to be similar to programs assisted under this part if—

"(1) all children participating in the program are educationally deprived,

"(2) the program is based on performance objectives related to educational achievement and is evaluated in a manner consistent with those performance objectives,

"(3) the program provides supplementary services designed to meet the special educational needs of the children who are participating,

"(4) the local educational agency keeps such records and affords such access thereto as are necessary to assure the correctness and verification of the requirements of clauses (1), (2), and (3) of this subsection, and

"(5) the State educational agency monitors performance under the program to assure that the requirements of clauses (1), (2), (3), and (4) of this subsection are met.

"(d) CERTAIN STATE PHASE-IN PROGRAMS.—A State education program which is being phased into full operation meets the requirements of this subsection if the Commissioner is satisfied that—

"(1) the program is authorized and governed specifically by the provisions of State law;

"(2) the purpose of the program is to provide for the comprehensive and systematic restructuring of the total educational environment at the level of the individual school;

"(3) the program is based on objectives, including but not limited to, performance objectives related to educational achievement and is evaluated in a manner consistent with those objectives;

"(4) parents and school staff are involved in comprehensive planning, implementation, and evaluation of the program;

"(5) the program will benefit all children in a particular school or grade-span within a school;

"(6) schools participating in a program describe, in a school level plan, program strategies for meeting the special educational needs of educationally deprived children;

"(7) the phase-in period of the program is not more than six school years, except that the phase-in period for a program commenced prior to the date of enactment of the Education Amendments of 1978 shall be deemed to begin on the date of enactment of such Amendments;

Ante, p. 2143.

"(8) at all times during such phase-in period at least 50 per centum of the schools participating in the program are the schools serving project areas which have the greatest number or concentrations of educationally deprived children or children from low-income families;

"(9) State funds made available for the phase-in program will supplement, and not supplant, State and local funds which would, in the absence of the phase-in program, have been provided for schools participating in such program;

"(10) the local educational agency is separately accountable, for purposes of compliance with paragraphs (1) through (6), (8), and (9) of this subsection, to the State educational agency for any funds expended for such program; and

"(11) the local educational agencies carrying out the program are complying with paragraphs (1) through (6), (8), and (9) and the State educational agency is complying with paragraph (10).

"(e) ADVANCE DETERMINATIONS BY THE COMMISSIONER.—The Commissioner shall make an advance determination of whether or not a State Program described in subsection (b)(1) (A) or (B) or (b)(2) meets the requirements of subsection (c) or meets the requirements of subsection (d). The Commissioner shall require each State educational agency to submit to him the provisions of State law together with implementing rules, regulations, orders, guidelines, and interpretations which are necessary for him to make such an advance determination. The Commissioner's determination shall be in writing and shall include the reasons for his determination. Whenever there is any material change in pertinent State law affecting the program, the State educational agency shall submit such changes to the Commissioner.

"(f) ADVANCE DETERMINATION BY THE STATE EDUCATIONAL AGENCY.—The State educational agency shall make an advance determination of whether or not a program described in subsection (b)(1)(C) meets the requirements of subsection (c). The State educational agency shall require each local educational agency to submit the provisions of local law, together with implementing rules, regulations, guidelines, and interpretations which are necessary to make such an advance determination. The State educational agency's determination shall be in writing and shall include the reasons for the determination. Whenever there is any material change in pertinent local law affecting the program, the local educational agency shall submit such changes to the State educational agency.

"LIMITED EXEMPTION TO SUPPLEMENT, NOT SUPPLANT, REQUIREMENT WHERE CERTAIN SPECIAL PROGRAMS FOR EDUCATIONALLY DEPRIVED CHILDREN ARE FULLY FUNDED

"SEC. 132. Whenever for a fiscal year— 20 USC 2752.

"(1) a local educational agency provides special State and local funds for programs for educationally deprived children which qualify under clause (A), (B), or (C) of section 131(b)(1) for an exception from the comparability and excess costs provisions under such section 131, and

"(2) the amount of such special State and local funds provided in eligible school attendance areas and for eligible schools when added to the Federal funds provided for programs under this subpart equals the amount such agency is eligible to receive for such fiscal year under section 111(a)(2) (without regard to adjustments under section 193), *Post*, p. 2195.

then the local educational agency may, without being considered in violation of section 126(d), utilize additional State and local funds for special programs and projects which are solely for educationally deprived children residing in nonproject areas or attending nonproject schools, including areas and schools ineligible for assistance under

this title. The exemption in the preceding sentence does not apply to the extent the level of such special State and local funds, per child participating in such programs residing in ineligible school attendance areas or attending ineligible schools, exceeds the amount of funds, per child participating in programs in project areas, provided to the agency under this part plus the amount of such special State or local funds provided for use in such areas.

"SCHOOLWIDE PROJECTS

20 USC 2753.

"SEC. 133. (a) USE OF FUNDS FOR SCHOOLWIDE PROJECTS.—In the case of any school serving an attendance area that is eligible to receive services under this title and in which not less than 75 per centum of the children are from low-income families (in accordance with criteria established by the Commissioner), the local educational agency may carry out a project under this title to upgrade the entire educational program in that school if the requirements of subsection (b) are met.

"(b) DESIGNATION OF SCHOOLS.—A school may be designated for a schoolwide project under subsection (a) if—

"(1) a plan has been developed for that school by the local educational agency and has been approved by the State educational agency providing for—

"(A) a comprehensive assessment of the educational needs of all students in the school, in particular the special needs of educationally deprived children, and

"(B) an instructional program designed to meet the special needs of all students in the school;

"(2) the plan has been developed with the involvement of those individuals who will be engaged in carrying out the plan, including parents, teachers, teacher aides, administrators, and secondary students if the plan relates to a secondary school;

"(3) the plan provides for consultation among those individuals as to the educational progress of all students;

"(4) the plan has been approved by the advisory council for that school established under section 125;

"(5) appropriate training is provided to teachers and teacher aides to enable them effectively to carry out the plan;

"(6) the plan includes procedures for evaluation involving the participation of the individuals listed in paragraph (2), and opportunities for periodic improvements in the plan based on the results of those evaluations;

"(7)(A) in the case of a school district in which there are one or more schools described in subsection (a) and there are also one or more other schools serving project areas, the local educational agency makes the Federal funds provided under this part available for children in such schools described in subsection (a) in amounts which per educationally deprived child served, equal or exceed the amount of such funds made available per educationally deprived child served in such other schools;

"(B) the local educational agency makes special supplementary State and local funds available for the children in schools described in subsection (a) in amounts which, per child served who is not educationally deprived, equal or exceed the amount of Federal funds provided under this part which, per educationally

deprived child served, are made available for children in such schools; and

"(C) the average per pupil expenditure in schools described in subsection (a) (excluding amounts expended under a State compensatory education program) for the fiscal year in which the plan is to be carried out will not be less than such expenditure in such schools in the previous fiscal year.

"(c) APPROVAL OF SCHOOL; OPERATION OF PROJECT.—(1) The State educational agency shall approve the plan of any local educational agency for a schoolwide project if that plan meets the requirements of subsection (b).

"(2) For any school which has such a plan approved, the local educational agency—

"(A) shall, in order to carry out the plan, be relieved of any requirements under this title with respect to the commingling of funds provided under this title with funds available for regular programs;

"(B) shall not be required to identify particular children as being eligible to participate in programs assisted under this title; and

"(C) shall not be required to demonstrate that services provided with funds under this title are supplementary to the services regularly provided in the school.

"NONINSTRUCTIONAL DUTIES

"SEC. 134. Notwithstanding any provision of subpart 3 of this part, personnel paid entirely by funds made available under this title may be assigned to certain limited, rotating, supervisory duties not related to classroom instruction, the benefits of which are not limited to participating children under this title. Such duties may include only those to which similarly situated personnel not hired with funds made available under the title are assigned at the same school site, and for which such similarly situated personnel are paid, and may not exceed the same proportion of total time as similarly situated personnel at the same school site, or 10 per centum of the total time, whichever is less. 20 USC 2754. *Ante*, p. 2161.

"PART B—PROGRAMS OPERATED BY STATE AGENCIES

"Subpart 1—Programs for Migratory Children

"GRANTS—ENTITLEMENT AND AMOUNT

"SEC. 141. (a) ENTITLEMENT.—A State educational agency or a combination of such agencies shall, upon application, be entitled to receive a grant for any fiscal year under this part to establish or improve, either directly or through local educational agencies, programs of education for migratory children of migratory agricultural workers or of migratory fishermen which meet the requirements of section 142. 20 USC 2761.

"(b) AMOUNT OF GRANT.—(1) Except as provided in sections 156 and 157, the total grants which shall be made available for use in any State (other than Puerto Rico) for this subpart shall be an amount equal to 40 per centum of the average per pupil expenditure in the State (or (A) in the case where the average per pupil expenditure in the State is less than 80 per centum of the average per pupil expendi-

ture in the United States, of 80 per centum of the average per pupil expenditure in the United States, or (B) in the case where the average per pupil expenditure in the State is more than 120 per centum of the average per pupil expenditure in the United States, of 120 per centum of the average per pupil expenditure in the United States) multiplied by (i) the estimated number of such migratory children aged five to seventeen, inclusive, who reside in the State full time, and (ii) the full-time equivalent of the estimated number of such migratory children aged five to seventeen, inclusive, who reside in the State part time, as determined by the Commissioner in accordance with regulations, except that if, in the case of any State, such amount exceeds the amount required under section 142, the Commissioner shall allocate such excess, to the extent necessary, to other States, whose total of grants under this sentence would otherwise be insufficient for all such children to be served in such other States. In determining the full-time equivalent number of migratory children who are in a State during the summer months, the Commissioner shall adjust the number so determined to take into account the special needs of those children for summer programs and the additional costs of operating such programs during the summer. In determining the number of migrant children for the purposes of this section the Commissioner shall use statistics made available by the migrant student record transfer system or such other system as he may determine most accurately and fully reflects the actual number of migrant students.

"(2) For each fiscal year, the Commissioner shall determine the percentage which the average per pupil expenditure in Puerto Rico is of the lowest average per pupil expenditure of any of the fifty States. The grant which Puerto Rico shall be eligible to receive under this section for a fiscal year shall be the amount arrived at by multiplying the number of such migrant children in Puerto Rico by the product of—

"(A) the percentage determined under the preceding sentence, and

"(B) 32 per centum of the average per pupil expenditure in the United States.

"PROGRAM REQUIREMENTS

20 USC 2762.

"SEC. 142. (a) REQUIREMENTS FOR APPROVAL OF APPLICATION.—The Commissioner may approve an application submitted under section 141(a) only upon his determination—

"(1) that payments will be used for programs and projects (including the acquisition of equipment and where necessary the construction of school facilities) which are designed to meet the special educational needs of migratory children of migratory agricultural workers or of migratory fishermen, and to coordinate such programs and projects with similar programs and projects in other States, including the transmittal of pertinent information with respect to school records of such children;

"(2) that in planning and carrying out programs and projects there has been and will be appropriate coordination with programs administered under part B of title III of the Economic Opportunity Act of 1964 and under section 303 of the Comprehensive Employment and Training Act;

42 USC 2861.
Ante, p. 1964.

"(3) that such programs and projects will be administered and carried out in a manner consistent with the basic objectives of subpart 3 of part A, other than sections 122, 123, 126(d), and 130 thereof;

"(4) that, in planning and carrying out programs and projects at both the State and local educational agency level, there has been and will be appropriate consultation with parent advisory councils established in accordance with regulations of the Commissioner (consistent with the requirements of section 125(a)); and

"(5) that, in planning and carrying out programs and projects, there has been adequate assurance that provision will be made for the preschool education needs of migratory children of migratory agricultural workers or of migratory fishermen, whenever such agency determines that compliance with this paragraph will not detract from the operation of programs and projects described in paragraph (1) of this subsection after considering funds available for this purpose.

"(b) CONTINUATION OF MIGRANT STATUS.—For purposes of this subpart, with the concurrence of his parents, a migratory child of a migratory agricultural worker or of a migratory fisherman shall be deemed to continue to be such a child for a period, not in excess of five years, during which he resides in the area served by the agency carrying on a program or project under this section. Such children who are presently migrant, as determined pursuant to regulations of the Commissioner, shall be given priority in this consideration of programs and activities contained in applications submitted under this subsection.

"(c) BY-PASS PROVISION.—If the Commissioner determines that a State is unable or unwilling to conduct educational programs for migratory children of migratory agricultural workers or of migratory fishermen, or that it would result in more efficient and economic administration, or that it would add substantially to the welfare or educational attainment of such children, he may make special arrangements with other public or nonprofit private agencies to carry out the purposes of this section in one or more States, and for this purpose he may use all or part of the total of grants available for any such State under this section.

"COORDINATION OF MIGRANT EDUCATION ACTIVITIES

"SEC. 143. (a) ACTIVITIES AUTHORIZED.—The Commissioner is authorized to make grants to, or enter into contracts with, State educational agencies to operate a system for the transfer among State and local educational agencies of migrant student records and to carry out other activities, in consultation with the States, to improve the interstate and intrastate coordination among State and local educational agencies of the educational programs available for migratory students.

Contracts.
20 USC 2763.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for this section not more than 5 per centum of the total amount paid for the preceding fiscal year to State educational agencies under section 141.

"Subpart 2—Programs for Handicapped Children

"AMOUNT AND ELIGIBILITY

20 USC 2771.

"SEC. 146. (a) ELIGIBILITY FOR GRANT.—A State agency which is directly responsible for providing free public education for handicapped children (as that term is defined in section 602(1) of the Education of the Handicapped Act), shall be eligible to receive a grant under this subpart for any fiscal year.

"(b) AMOUNT OF GRANT.—(1) Except as provided in sections 156 and 157, the grant which a State agency referred to in subsection (a) (other than the agency for Puerto Rico) shall be eligible to receive under this section shall be an amount equal to 40 per centum of the average per pupil expenditure in the State (or (A) in the case where the average per pupil expenditure in the State is less than 80 per centum of the average per pupil expenditure in the United States, of 80 per centum of the average per pupil expenditure in the United States, or (B) in the case where the average per pupil expenditure in the State is more than 120 per centum of the average per pupil expenditure in the United States, of 120 per centum of the average per pupil expenditure in the United States), multiplied by the number of such handicapped children in average daily attendance, as determined by the Commissioner, at schools for handicapped children operated or supported by the State agency, including schools providing special education for handicapped children under contract or other arrangement with such State agency, in the most recent fiscal year for which satisfactory data are available.

Grants to Puerto Rico.

"(2) For each fiscal year, the Commissioner shall determine the percentage which the average per pupil expenditure in Puerto Rico is of the lowest average per pupil expenditure of any of the fifty States. The grant which Puerto Rico shall be eligible to receive under this subpart for a fiscal year shall be the amount arrived at by multiplying the number of such handicapped children in Puerto Rico by the product of—

"(A) the percentage determined under the preceding sentence, and

"(B) 32 per centum of the average per pupil expenditure in the United States.

"(c) COUNTING OF CHILDREN TRANSFERRING FROM STATE TO LOCAL PROGRAMS.—In the case where a child described in subsection (a) leaves an educational program for handicapped children operated or supported by the State agency in order to participate in such a program operated or supported by a local educational agency, such child shall be counted under subsection (b) if (1) he continues to receive an appropriately designed educational program and (2) the State agency transfers to the local educational agency in whose program such child participates an amount equal to the sums received by such State agency under this section which are attributable to such child, to be used for the purposes set forth in section 147.

"PROGRAM REQUIREMENTS

20 USC 2772.

"SEC. 147. A State shall use the payments made under this subpart only for programs and projects (including the acquisition of equipment and, where necessary, the construction of school facilities) which

are designed to meet the special educational needs of handicapped children. Such programs and projects shall be administered and carried out in a manner consistent with subpart 3 of part A, other than sections 122, 123, 125, 126(d), 126(e), and 130 thereof. The State agency shall provide assurances to the Commissioner that each such child in average daily attendance counted under subsection (b) of section 146 will be provided with such a program, commensurate with his special needs, during any fiscal year for which such payments are made.

"Subpart 3—Programs for Neglected and Delinquent Children

"AMOUNT AND ENTITLEMENT

"SEC. 151. (a) ENTITLEMENT TO GRANTS.—A State agency which is directly responsible for providing free public education for children in institutions for neglected or delinquent children or in adult correctional institutions shall be entitled to receive a grant under this subpart for any fiscal year (but only if grants received under this subpart are used only for children in such institutions). 20 USC 2781.

"(b) AMOUNT OF GRANT.—(1) Except as provided in sections 156 and 157, the grant which such an agency (other than the agency for Puerto Rico) shall be eligible to receive shall be an amount equal to 40 per centum of the average per pupil expenditure in the State (or (A) in the case where the average per pupil expenditure in the State is less than 80 per centum of the average per pupil expenditure in the United States, of 80 per centum of the average per pupil expenditure in the United States, or (B) in the case where the average per pupil expenditure in the State is more than 120 per centum of the average per pupil expenditure in the United States, of 120 per centum of the average per pupil expenditure in the United States) multiplied by the number of such neglected or delinquent children in average daily attendance, as determined by the Commissioner, at schools for such children operated or supported by that agency, including schools providing education for such children under contract or other arrangement with such agency, in the most recent fiscal year for which satisfactory data are available.

"(2) For each fiscal year, the Commissioner shall determine the percentage which the average per pupil expenditure in Puerto Rico is of the lowest average per pupil expenditure of any of the fifty States. The grant which Puerto Rico shall be eligible to receive under this subpart for a fiscal year shall be the amount arrived at by multiplying the number of such neglected or delinquent children in Puerto Rico by the product of— Grants to Puerto Rico.

"(A) the percentage determined under the preceding sentence, and

"(B) 32 per centum of the average per pupil expenditure in the United States.

"PROGRAM REQUIREMENT

"SEC. 152. (a) USE OF PAYMENTS.—A State agency shall use payments under this subpart only for programs and projects (including the acquisition of equipment and where necessary the construction of school facilities) which are designed to meet the special educational needs of children in institutions for neglected or delinquent children or 20 USC 2782.

in adult correctional institutions. Such programs and projects shall be designed to support educational services supplemental to the basic education of such children which must be provided by the State, and such programs and projects shall be administered and carried out in a manner consistent with subpart 3 of part A, other than sections 122, 123, 125, 126(d), 126(e), and 130 thereof.

Ante, p. 2161.

"(b) THREE-YEAR PROJECTS.—Where a State agency operates programs under this title in which children are likely to participate for more than one year, the State educational agency may approve the application for a grant under this subpart for a period of more than one year, but not to exceed three years.

"TRANSITION SERVICES

20 USC 2783.

"SEC. 153. (a) GRANTS AUTHORIZED.—The Commissioner is authorized to make grants to State and local educational agencies to support projects to facilitate the transition of children from State operated institutions for neglected and delinquent children into locally operated programs. Grants under this section shall be used to provide special educational services for such children in schools other than State operated institutions.

"(b) APPROPRIATIONS AUTHORIZED.—There are authorized to be appropriated for the purposes of this section for any fiscal year, not to exceed 5 per centum of the amount State agencies are entitled to receive under section 151 for that year.

"Subpart 4—General Provisions for State Operated Programs

"RESERVATION OF FUNDS FOR TERRITORIES

Appropriation authorization.
20 USC 2791.

"SEC. 156. There is authorized to be appropriated for each fiscal year for purposes of each of subparts 1, 2, and 3 of this part, an amount equal to not more than 1 per centum of the amount appropriated for such year for such subparts, for payments to Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands under each such subpart. The amounts appropriated for each such subpart shall be allotted among Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands according to their respective need for such grants, based on such criteria as the Commissioner determines will best carry out the purposes of this title.

"MINIMUM PAYMENTS FOR STATE OPERATED PROGRAMS

20 USC 2792.

"SEC. 157. No State shall receive in any fiscal year prior to October 1, 1983, pursuant to subpart 1, 2 or 3 of this part an amount which is less than 85 per centum of the amount which that State received in the prior fiscal year pursuant to the comparable sections of this title as in effect immediately preceding the enactment of the Education Amendments of 1978 or the comparable subpart of this part, whichever was in effect for such prior fiscal year, and, for any fiscal year ending prior to October 1, 1982, no State shall receive, pursuant to subpart 1 of this part, an amount which is less than 100 per centum of the amount that State received in the prior fiscal year pursuant to the comparable section of this title as in effect immediately prior to the

enactment of the Education Amendments of 1978 or under subpart 1 of this part, whichever was in effect for such prior fiscal year. *Ante*, p. 2143.

"PART C—STATE ADMINISTRATION OF PROGRAMS AND PROJECTS

"Subpart 1—Applicability; State Applications

"APPLICABILITY

"SEC. 161. The provisions of this part (other than section 162 and subpart 3) shall apply in any fiscal year in which the provisions of section 510(b)(2) of this Act are not met. 20 USC 2801. *Post*, p. 2247.

"STATE APPLICATIONS

"SEC. 162. (a) SUBMISSION OF STATE APPLICATIONS.—Any State desiring to participate under this title (except with respect to the program provided for in subpart 1 of part B relating to migratory children) shall have on file with the Commissioner an application submitted by its State educational agency. 20 USC 2802.

"(b) CONTENTS OF STATE APPLICATIONS.—Each application required by subsection (a) shall contain (1) satisfactory assurances that the State educational agency will comply with the requirements of this part, and (2) such information as the Commissioner may consider necessary for him to make the findings required by section 182.

"Subpart 2—Duties Imposed on State Educational Agencies

"APPLICATION APPROVAL

"SEC. 164. (a) REQUIREMENTS FOR APPROVAL.—(1) A State educational agency shall approve an application of a local educational agency or a State agency under this title if (A) such State educational agency is satisfied, after considering the factors specified in paragraph (2), that such applicant agency will use the funds received under the application in a manner which meets the requirements of this title, the General Education Provisions Act, and the rules, regulations, procedures, guidelines, criteria, or other requirements adopted by such agency which pertain to programs and projects assisted under this title, and (B) such applicant agency is not out of compliance with a determination of the State educational agency or the Commissioner that it repay funds paid it under this title which were misused, and is not out of compliance with a compliance agreement under section 169(c). 20 USC 2811. 20 USC 1221.

"(2) A state educational agency may approve an application under paragraph (1), only after it has considered, where pertinent, (A) the results of Federal and State audits, (B) the results of Federal and State monitoring reports, (C) administrative complaints made by parents or other individuals concerning the applicant agency's compliance with this title, and (D) evaluations conducted under section 124(g).

(b) PAYMENTS.—Except as provided in section 194, a State educational agency may make payments from funds received under this title only for programs and projects which it has approved under subsection (a).

"(c) OPPORTUNITY FOR HEARING.—A State educational agency shall not finally disapprove in whole or in part any application for funds under part A or under subpart 2 or subpart 3 of part B without first affording the local educational agency or other applicant submitting the application reasonable notice and opportunity for a hearing.

"STATE RULEMAKING

20 USC 2812.

"SEC. 165. Nothing in this title shall be deemed to prohibit a State educational agency from adopting rules, regulations, procedures, guidelines, criteria, or other requirements applicable to programs and projects assisted under this title if they do not conflict with the provisions of this title, with regulations promulgated by the Commissioner implementing this title, or with other applicable Federal law. The Commissioner shall encourage a State educational agency, in adopting such rules, regulations, procedures, guidelines, criteria, or other requirements to recognize the special and unique needs and circumstances of the State and of each local educational agency in the State.

"TECHNICAL ASSISTANCE AND DISSEMINATION OF INFORMATION

20 USC 2813.

"SEC. 166. Each State educational agency shall carry on a comprehensive program to provide technical assistance to local educational agencies and State agencies with respect to the use of funds received under this title. Such a program shall include technical assistance for management procedures, for planning, development, implementation, and evaluation of programs, and for preparation of applications, as well as other forms of technical assistance needed by local educational agencies and State agencies. Each State educational agency shall also adopt effective procedures for disseminating to local educational agencies and State agencies (1) significant and relevant information derived from educational research, (2) information about successful compensatory education projects, (3) information about other Federal and State funded programs which may provide needed health, social, and nutrition services to eligible participating children under this title, and (4) such other information as will assist local educational agencies and State agencies in planning, developing, implementing, and evaluating programs assisted under this title.

"MONITORING

20 USC 2814.

"SEC. 167. Each State educational agency shall adopt standards, consistent with minimum standards established by the Commissioner and with the State monitoring and enforcement plan submitted under section 171, for monitoring the effectiveness of programs and projects assisted under this title. Such standards shall (1) describe the purpose and scope of monitoring; (2) specify the frequency of onsite visits; (3) describe the procedures for issuing and responding to monitoring reports, including but not limited to, the period of time in which the State educational agency must issue its report, the period of time in which the applicant agency must respond, and the appropriate followup by the State educational agency; (4) specify the methods for making monitoring reports available to parents, State and local auditors, and other persons, and (5) specify the methods for insuring that non-compliant practices are corrected.

"COMPLAINT RESOLUTION

"SEC. 168. Each State educational agency shall adopt written procedures for receiving complaints, or reviewing appeals from decisions of local educational agencies with respect to complaints, concerning violations of this title or applicable provisions of the General Education Provisions Act in connection with programs assisted under this title, and for conducting onsite investigations of such complaints which the State educational agency deems necessary. Such procedures shall include— Written procedures. 20 USC 2815. 20 USC 1221.

"(1) specific time limits for resolving the complaint or completing the review and, if necessary, the independent onsite investigation, which shall not exceed sixty days unless exceptional circumstances exist; Time limits.

"(2) an opportunity for the complainant or the complainant's representative, or both, and the local educational agency involved to present evidence, including the opportunity to question parties to the dispute and any of their witnesses; Presentation of evidence.

"(3) the right to appeal the final resolution of the State educational agency to the Commissioner within thirty days after receipt of the written decision; and Appeal.

"(4) dissemination, free of charge, of information concerning these procedures to interested parties, including all district and school advisory councils.

"WITHHOLDING OF PAYMENTS

"SEC. 169. (a) WITHHOLDING.—Whenever a State educational agency, after reasonable notice and opportunity for a hearing (consistent with the requirements of section 434(b) of the General Education Provisions Act) to any local educational agency or State agency, before an impartial decisionmaker, finds that there has been a failure to comply substantially with any provision of subpart 3 of part A or subpart 2 or 3 of part B, the State educational agency shall notify such agency that further payments, in whole or in part, will not be made to it under this title until it is satisfied that there is no longer any such failure to comply. Until it is so satisfied, no further payments shall be made to such agency under this title, except as may be provided in a compliance agreement entered into under subsection (c). Pending the outcome of any proceeding under this subsection, the State educational agency may suspend, in whole or in part, payments to such agency, after such agency has been given reasonable notice and opportunity to show cause why such action should not be taken. 20 USC 2816. *Post*, p. 2342.

"(b) NOTICE TO PUBLIC OF STATE WITHHOLDING.—Upon submission to a local educational agency or a State agency of a notice that the State educational agency pursuant to subsection (a) is withholding payment, the State educational agency shall inform the district advisory council (if any) and shall take such additional action as may be necessary to bring the State action to the attention of the public.

"(c) COMPLIANCE AGREEMENTS.—A State educational agency may suspend the initiation or continuation of its withholding action under subsection (a) while there is in effect a compliance agreement with the local educational agency or State agency under this subsection. Such an agreement shall be deemed to be in effect for the period specified therein, except that if the local educational agency or State agency

fails to comply with the terms agreed to, such agreement shall no longer be in effect and subsection (a) shall be fully operative. In implementing such subsection, the State educational agency shall take into account any partial compliance by such agency under such agreement. For purposes of this subsection, the term 'compliance agreement' means an agreement which—

"Compliance agreement."

"(1) sets forth the terms and conditions to which the local educational agency or State agency has agreed in order to comply with the requirements of this title or the General Education Provisions Act and regulations promulgated thereunder, and with the applicable rules, regulations, procedures, guidelines, criteria or other requirements adopted by the State educational agency;

20 USC 1221.

"(2) addresses all the matters that formed the basis for the initiation of the withholding action by the State educational agency; and

"(3) may consist of a series of agreements that in the aggregate dispose of all such matters.

Within fifteen days after the execution of any compliance agreement, the State educational agency shall send a copy thereof to the district advisory council affected, and to each organization or person who filed a complaint with respect to any failure to comply which is covered by that agreement.

"(d) REVIEW BY THE COMMISSIONER.—A local educational agency or State agency may, in accordance with section 425(a) of the General Education Provisions Act, appeal a final determination of the State educational agency under subsection (a) to the Commissioner.

20 USC 1231b–2.

"AUDITS AND AUDIT RESOLUTION

20 USC 2817.

"SEC. 170. (a) AUDITING.—Each State shall make provision for audits of the expenditure of funds received under this title to determine, at a minimum, the fiscal integrity of grant or subgrant financial transactions and reports, and the compliance with applicable statutes, regulations, and terms and conditions of the grant or subgrant. Such audits shall be made with reasonable frequency considering the nature, size, and complexity of the activity.

Written procedures.

"(b) AUDIT RESOLUTION.—Each State educational agency shall have in effect written procedures meeting minimum standards established by the Commissioner, to assure timely and appropriate resolutions of audit findings and recommendations arising out of audits provided for in subsection (a). Such procedures shall include a description of the audit resolution process, timetables for each step of the process, and an audit appeals process. Whenever under such procedures, the audit resolution process requires the repayment of Federal funds which were misspent or misapplied, such repayment may be made in either a single payment or in installments over a period not to exceed three years.

"(c) REQUIREMENT FOR REPAYMENT.—A local educational agency or State agency shall repay from non-Federal sources or from Federal funds, no accountability for which is required to the Federal Government, the amount of funds under this title which have been finally determined through the audit resolution process to have been misspent or misapplied.

"(d) REVIEW BY THE COMMISSIONER.—A local educational agency or State agency may, in accordance with section 425(a) of the General

Education Provisions Act, appeal a final determination of the State educational agency under subsection (b) to the Commissioner. 20 USC 1231b-2.

"(e) FAILURE TO REPAY.—If, following an affirmation by the Commissioner of a final determination of a State educational agency under subsection (b) or failure by a local educational agency or State agency to seek timely review by the Commissioner, such local educational agency or State agency refuses to repay from non-Federal sources, or from Federal funds no accountability for which is required to the Federal Government, funds which have been misspent or misapplied under this title, the State educational agency shall promptly notify the Commissioner and the Commissioner shall promptly initiate collection action. Notification.

"Subpart 3—Responsibilities of State Educational Agencies to Commissioner

"STATE MONITORING AND ENFORCEMENT PLANS

"SEC. 171. (a) STATE PLAN.—Each State educational agency participating in programs under this title shall submit, at such times (at least once every three years) and in such detail as the Commissioner shall prescribe, a State monitoring and enforceemnt plan. Such plan shall set forth— 20 USC 2821.

"(1) a program of regular visits by State educational agency personnel to projects assisted under this title; Regular visits by personnel.

"(2) the matters to be reviewed during such visits; Matters to be reviewed.

"(3) procedures for verifying information provided by local educational agencies and State agencies, including the use of other information available to the State to cross-check that information; Information verification.

"(4) procedures for regular audits of local educational agency and State agency expenditures under this title, and procedures for the recovery of any expenditure determined not to be allowable under this title;

"(5) procedures for resolving each complaint received by the State relating to programs assisted under this title, including complaints refered to the State by the Commissioner and complaints by representatives of children enrolled in private schools that those children are not receiving the services to which they are entitled under this title; and

"(6) a description of the means by which the State educational agency has determined, and will continue to determine, the compliance by local educational agencies with the requirements of section 130 relating to the equitable provision of services to children enrolled in private schools.

"(b) REPORT.—Each plan submitted by a State educational agency under this section shall include a report, in such form as the Commissioner shall prescribe, of the activities undertaken by the State in the years since the previous plan was filed to carry out its monitoring and enforcement efforts under this title.

"REPORTING

"SEC. 172. Each State educational agency shall make to the Commissioner (1) periodic reports (including the results of objective measurements required by section 124(g) and of research and replication 20 USC 2822.

Ante, p. 2164.

studies) evaluating the effectiveness of payments under this title and of particular programs assisted under it in improving the educational attainment of educationally deprived children, and (2) such other reports as may be reasonably necessary to enable the Commissioner to perform his duties under this title (including such reports as he may require to determine the amounts which the local educational agencies of that State are eligible to receive for any fiscal year).

"RECORDKEEPING, FISCAL CONTROL, AND FUND ACCOUNTING

20 USC 2823. "SEC. 173. Each State educational agency which receives funds under this title shall use fiscal control and fund accounting procedures that will ensure proper disbursement of, and accounting for, funds made available under this title, and keep such records, and afford access thereto, as the Commissioner shall prescribe, including records which fully disclose the amount and disposition by such agency of such funds, the total cost of programs and projects in connection with which such funds are used, the amount of that portion of the cost of the program and project supplied by other sources, and such other records as will facilitate an effective audit.

"PROHIBITION OF CONSIDERATION OF FEDERAL AID IN DETERMINING STATE AID

20 USC 2824. "SEC. 174. No State shall take into consideration payments under this title in determining the eligibility of any local educational agency in that State for State aid, or the amount of State aid, with respect to free public education of children.

"PART D—FEDERAL ADMINISTRATION OF PROGRAMS AND PROJECTS

"APPLICABILITY

20 USC 2831. "SEC. 181. In addition to other requirements contained in this part, the requirements of the General Education Provisions Act which relate to Federal administration of elementary and secondary education programs shall apply to programs carried out under this title.

"APPROVAL OF APPLICATIONS

20 USC 2832. "SEC. 182. (a) REQUIREMENT FOR APPROVAL.—The Commissioner shall not approve an application under section 162 until he has made specific findings, in writing, that (1) the application and the State monitoring and enforcement plan required under section 171 comply with this title, and (2) that he is satisfied that the assurances in such application and the assurances contained in its general application under section 435 of the General Education Provisions Act (where applicable) will be carried out.

Post, p. 2343.

"(b) HEARINGS.—The Commissioner shall, in accordance with the procedures set forth in section 453 of the General Education Provisions Act, not finally disapprove an application under section 142 or section 162 except after notice and opportunity for a hearing to the State educational agency.

Post, p. 2349.

"PROGRAM EVALUATION

"SEC. 183. (a) INDEPENDENT EVALUATIONS.—The Commissioner shall provide for independent evaluations which describe and measure the impact of programs and projects assisted under this title. Such evaluations may be provided by contract or other arrangements, and all such evaluations shall be made by competent and independent persons, and shall include, whenever possible, opinions obtained from program or project participants about the strengths and weaknesses of such programs and projects. 20 USC 2833.

"(b) EVALUATION STANDARDS AND SCHEDULE.—The Commissioner shall (1) develop and publish standards for evaluation of program or project effectiveness in achieving the objectives of this title, and (2) develop, in consultation with State educational agencies and representatives of local educational agencies, a schedule for conducting evaluations under section 124(g) designed to ensure that evaluations are conducted in representative samples of the local educational agencies in any State each year. Such standards will be developed only after widespread consultation and hearings with practicing State and local agency evaluators, and the Commissioner's standards will reflect the input of these groups. Standards, publication. Consultation and hearings.

"(c) JOINTLY SPONSORED STUDIES.—The Commissioner shall consult with State and local educational agencies in order to provide for jointly sponsored objective evaluation studies of programs and projects assisted under this title within a State.

"(d) EVALUATION MODELS.—The Commissioner shall provide to State educational agencies, models for evaluations of all programs conducted under this title, for their use in carrying out their functions under section 172, which shall include uniform procedures and criteria to be utilized by local educational agencies and State agencies as well as by the State educational agency in the evaluation of such programs. In developing evaluation design models the Commissioner shall consult with State and local evaluators experienced in conducting such evaluations.

"(e) TECHNICAL ASSISTANCE.—The Commissioner shall provide such technical and other assistance as may be necessary to State educational agencies to enable them to assist local educational agencies and State agencies in the development and application of a systematic evaluation of programs in accordance with the models developed by the Commissioner.

"(f) SPECIFICATION OF OBJECTIVE CRITERIA.—The models developed by the Commissioner shall specify objective criteria which shall be utilized in the evaluation of all programs and shall outline techniques (such as longitudinal studies of children involved in such programs) and methodology (such as the use of tests which yield comparable results) for producing data which are comparable on a statewide and nationwide basis.

"(g) REPORT TO CONGRESS.—The Commissioner shall make a report to the respective committees of the Congress having legislative jurisdiction over programs authorized by this title and the respective Committees on Appropriations no later than February 1, 1980, 1982, and 1984 concerning the results of evaluations of programs and projects required under this section, which shall be comprehensive and detailed, as up-to-date as possible, and based to the maximum extent possible on objective measurements, together with other related find-

ings and evaluations and his recommendations with respect to legislation.

"(h) INFORMATION DISSEMINATION.—The Commissioner shall also develop a system for the gathering and dissemination of the results of evaluations and for the identification of exemplary programs and projects, or of particularly effective elements of programs and projects, and for the dissemination of information concerning such programs and projects or such elements thereof to State agencies and local educational agencies responsible for the design and conduct of programs and projects under this title, and to the education profession and the general public.

"(i) MAXIMUM EXPENDITURES.—The Commissioner is authorized, out of funds appropriated to carry out this title in any fiscal year, to expend such sums as may be necessary to carry out the provisions of this section, but not to exceed one-half of 1 per centum of the amount appropriated for such programs. In carrying out the provisions of this section, the Commissioner shall place priority on assisting States, local educational agencies, and State agencies to conduct evaluations and shall, only as funds are available after fulfilling that purpose, seek to conduct any national evaluations of the program.

"COMPLAINT RESOLUTION

Written procedures.
20 USC 2834.

"SEC. 184. The Commissioner shall develop and implement written procedures for receiving and resolving appeals from final resolutions of State educational agencies with respect to complaints concerning violations of this title or of applicable provisions of the General Education Provisions Act in connection with programs under this title, for receiving such complaints directly from parent advisory councils, parents, teachers, or other concerned organizations or individuals, and for conducting independent onsite investigations of complaints if the Commissioner deems necessary. Such procedures shall include—

20 USC 1221.

Time limits.

"(1) specific time limits for resolving the complaint or for completing the review and any necessary independent investigation, which shall not exceed sixty days unless exceptional circumstances exist;

Presentation of evidence.

"(2) an opportunity for the complainant, the complainant's representative, the local educational agency and the State educational agency to present evidence;

Notification.

"(3) a requirement that the complainant, the complainant's representative, the local educational agency, the State educational agency, State agency, the district parent advisory council, and appropriate school-parent advisory councils shall be notified, in writing, within ten days after the resolution of the appeal of the nature of the resolution, the reasons therefor, and the right to an administrative appeal; and

Dissemination of information.

"(4) dissemination of information concerning the procedures.

"AUDITS AND AUDIT RESOLUTION

20 USC 2835.

"SEC. 185. (a) AUDITING.—The Inspector General of the Department of Health, Education, and Welfare shall make provision for audits of grants made under this title to determine, at a minimum, the fiscal integrity of grant or subgrant financial transactions and reports, and the compliance with applicable statutes, regulations, and terms and conditions of the grant or subgrant.

"(b) AUDIT RESOLUTION AND REPAYMENT.—The Commissioner shall adopt procedures to assure timely and appropriate resolution of audit findings and recommendations arising out of audits provided for in subsection (a). Such procedures shall include timetables for each step of the audit resolution process and an audit appeals process. Where, under such procedures, the audit resolution process requires the repayment of Federal funds which were misspent or misapplied, the Commissioner shall require the repayment of the amount of funds under this title which have been finally determined through the audit resolution process to have been misspent or misapplied. Such repayment may be made from funds derived from non-Federal sources or from Federal funds no accountability for which is required to the Federal Government. Such repayments may be made in either a single payment or in installment payments over a period not to exceed three years.

Procedures.

Timetables.

"WITHHOLDING OF PAYMENTS

"SEC. 186. (a) WITHHOLDING.—Whenever the Commissioner, after reasonable notice to any State educational agency and an opportunity for a hearing on the record, finds that there has been a failure to comply substantially with any assurance set forth in the application of that State approved under section 142 or 162, the Commissioner shall notify the agency that further payments will not be made to the State under this title (or, in his discretion, that the State educational agency shall reduce or terminate further payments under this title to specified local educational agencies or State agencies affected by the failure) until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied, (1) no further payments shall be made to the State under this title, or (2) payments by the State educational agency under this title shall be limited to local educational agencies and State agencies not affected by the failure, or (3) payments to particular local educational agencies or State agencies shall be reduced, as the case may be. Where partial payments to a local educational agency are continued under this subsection, the expenditure of the payments shall be subject to such conditions as the Commissioner deems appropriate in light of the failure which led to the partial withholding. In the case of a substantial and continuing violation, the Commissioner may suspend payments to such agency, after such agency has been given reasonable notice and opportunity to show cause why such action should not be taken.

Notice and hearing.
20 USC 2836.

"(b) NOTICE TO PUBLIC OF COMMISSIONER WITHHOLDING.—Upon submission to a State of a notice under subsection (a) that the Commissioner is withholding payments, the Commissioner shall take such action as may be necessary to bring his action to the attention of the public within the State.

"(c) COMPLIANCE AGREEMENT.—(1) The Commissioner may suspend the initiation or continuation of his withholding action under subsection (a) during any period there is in effect a compliance agreement with the State educational agency under this subsection. Such an agreement shall be deemed to be in effect for the period specified therein, except that if the State educational agency fails to comply with the terms agreed to, such an agreement shall no longer be in effect and subsection (a) shall be fully operative. In implementing such subsection, the Commissioner shall take into account any partial compliance by such agency under such agreement.

Suspension of withholding action.

"(2) For the purpose of this subsection, the term 'compliance agreement, means an agreement which—

"(A) sets forth the terms and conditions to which the State or local educational agency or State agency has agreed in order to comply with the requirements of this title or the General Education Provisions Act and regulations promulgated thereunder;

"(B) addresses all the matters that formed the basis for the initiation of the withholding action by the Commissioner; and

"(C) may consist of a series of agreements that in the aggregate dispose of all such matters.

Hearing.

"(3) In any case in which a State educational agency desires to enter into a compliance agreement, but alleges that full compliance with the requirements of this title is genuinely not feasible until a further date, the Commissioner shall hold a hearing at which that agency shall have the burden of demonstrating that immediate compliance is not feasible. The Commissioner shall provide an opportunity for parents, their representatives, and other interested parties to participate in that hearing. If the Commissioner determines, on the basis of all the evidence presented to him, that immediate compliance is genuinely not feasible, he shall make written findings to that effect before entering into such a compliance agreement with that State educational agency. A compliance agreement under this subsection shall not be exempt from disclosure under any provision of section 552 of title 5, United States Code. Within fifteen days after the execution of any compliance agreement under this subsection, the Commissioner shall send a copy thereof to each organization or person who filed a complaint with respect to any failure to comply which is covered by that agreement.

Written findings.

Copies of agreement to complainants.

"POLICY MANUAL

20 USC 2837.

"SEC. 187. (a) SCOPE AND PURPOSE.—The Commissioner shall, not later than six months after the publication of final regulations with respect to the amendments to this title made by the Education Amendments of 1978, prepare and distribute to State educational agencies, State agencies operating programs for neglected and delinquent and handicapped children, local educational agencies, and district-wide advisory councils, and shall make available to other interested individuals, organizations, and agencies, a policy manual for this title to—

Ante, p. 2143.

"(1) assist such agencies in (A) preparing applications for program funds under this title, (B) meeting the applicable program requirements under this title, and (C) enhancing the quality, increasing the depth, or broadening the scope of activities for programs under this title;

"(2) assist State educational agencies in achieving proper and efficient administration of programs funded under this title;

"(3) assist advisory councils established under section 125(a) in advising the local educational agencies in the planning for, and implementation and evaluation of, programs and projects under this title; and

"(4) insure that officers and employees of the Department of Health, Education, and Welfare, including, but not limited to, officers and employees of the Commissioner and officers and employees of such Department charged with auditing programs carried on under this title, uniformly interpret, apply, and enforce requirements under this title throughout the United States.

"(b) CONTENTS OF POLICY MANUAL.—The policy manual shall, with respect to programs carried on under this title, contain descriptions, statements, procedural and substantive rules, opinions, policy statements and interpretations and indices to and amendments of the foregoing, and in particular, whether or not such items are required under section 552 of title 5, United States Code to be published or made available, the manual shall include (but not be limited to)—

"(1) a statement of the requirements applicable to the programs carried on under this title including such requirements contained in this title, the General Education Provisions Act, other applicable statutes, and regulations issued under the authoriy of such statutes; 20 USC 1221.

"(2) an explanation of the purpose of each requirement, including appropriate references to legislative history;

"(3) an explanation of the interrelationships between the applicable requirements;

"(4) a statement of the procedures to be followed by the Commissioner and the Secretary with respect to proper and efficient performance of their administrative responsibilities, including but not limited to (A) approving State applications or State plans, (B) distributing grants to appropriate agencies, (C) resolving problems discovered during monitoring visits, (D) resolving financial exceptions disclosed during audits, (E) collecting outstanding claims arising out of activities under this title, (F) resolving complaints, (G) responding to requests for advisory opinions interpreting and applying standards contained in applicable statutes and regulations to the public, (H) identifying and publicizing exemplary programs, and (I) making public audit determinations of the Commissioner or of any officer or panel authorized by the Commissioner to make such determinations;

"(5) summaries of (A) advisory opinions referred to in paragraph (4)(G) of this section and (B) final audit determinations referred to in paragraph (4)(I), including examples of actual applications of the legal requirements of applicable statutes and regulations;

"(6) model forms and instructions developed by the Commissioner for use by State and local educational agencies, at their discretion, including, but not limited to, application forms, application review checklists, and instruments for monitoring programs operated by applicant agencies;

"(7) summaries of appropriate court decisions concerning programs under this title;

"(8) examples of methods of distributing State and local funds which do and do not satisfy the applicable requirements under this title; and

"(9) model forms, policies, and procedures developed by State educational agencies.

"ENFORCEMENT REPORT

"SEC. 188. The Commissioner shall, in conjunction with the report required by section 183(g), submit to the Congress a report concerning the enforcement of this title. The report submitted in 1980, 1982, and 1984 shall contain— Report to Congress. 20 USC 2838.

"(1) an analysis, for each State which has an application approved for that year under section 182, of the extent to which the assurances, policies, and procedures of that State submitted as part of that application satisfy the requirements of this title,

"(2) a description for each such State of the manner in which monitoring reports of the Commissioner were taken into consideration in the approval of such applications,

"(3) a description, with respect to appropriate States, of the manner in which unresolved audit and program monitoring findings were taken into consideration in the approval of such applications,

"(4) a description for each such State of the manner in which the annual evaluation report of that State was taken into consideration in the approval of such applications,

"(5) a summary of the findings of the Commissioner's on-site monitoring visits, of the actions taken by State educational agencies to correct problems identified in each report based on such visits, and of the number, type, and location of problems which have been so identified but which have not been corrected as of the date of the submission of the annual enforcement report under this section,

"(6) with respect to audits conducted under this title, (A) the number and type of audits conducted in the year preceding the date of submission of the report, (B) the identity of each State or local educational agency audited during that year, (C) the resolution status of each outstanding audit, including the dates on which each step of the resolution process with respect to such outstanding audit was completed, the schedule for completion of such process, the amount of the financial exceptions noted in final audit reports and in letters of final determination, and an explanation of any differences in such amounts as noted in draft audit reports, final audit reports, and letters of final determination, (D) the number and identity of any States which did not appeal to the audit hearing board for this title with respect to audits conducted during that year and the status of recoupment activities for each such State, (E) the number and identity of States which appealed to such board during that year and the status of each active appeal, (F) the number and identity of States which have completed such appeals during that year and the status of recoupment activities with respect thereto, (G) the number and type of any cases referred to the Attorney General during that year for collection of misspent funds, (H) the amount of any funds recovered during that year as a result of such audit resolution process, (I) an analysis of the type of violations identified in final audit reports, letters of final determination, and final decisions of the audit hearing board for this title and of the Commissioner on appeal from the decisions of such board, (J) a summary of audit followup actions conducted during that year for the purpose of determining that deficiencies which led to financial audit exceptions or audit findings of procedural noncompliance have been corrected, (K) a description of audits planned for the year succeeding the date of the submission of the report, and (L) recommendations for improvement of the audit resolution process, and

"(7) with respect to complaints made to the Commissioner concerning programs under this title during the year preceding the date of submission of the report under this section, the number and type of complaints, the identity of the State and local educational agencies, the action taken by the Commissioner to resolve the complaints, and the number and type of complaints which remain unresolved as of the date of such submission.

"PART E—PAYMENTS

"PAYMENT METHODS

"SEC. 191. The Commissioner shall, from time to time pay to each State, in advance or otherwise, the amount which it and the local educational agencies of that State are eligible to receive under this title. Such payments shall take into account the extent (if any) to which any previous payment to such State educational agency under this title (whether or not in the same fiscal year) was greater or less than the amount which should have been paid to it. 20 USC 2841.

"AMOUNT OF PAYMENTS TO LOCAL EDUCATIONAL AGENCIES

"SEC. 192. From the funds paid to it pursuant to section 191 each State educational agency shall distribute to each local educational agency of the State which is eligible to receive a grant under this title and which has submitted an application approved pursuant to section 121 the amount for which such application has been approved, except that the amount shall not exceed the amount determined for that agency under this title. 20 USC 2842.

"ADJUSTMENTS WHERE NECESSITATED BY APPROPRIATIONS

"SEC. 193. (a) ADJUSTMENT ALLOCATION.—If the sums appropriated for any fiscal year for making the payments provided in this title other than amounts appropriated for subpart 2 of part A are not sufficient to pay in full the total amounts which all local and State educational agencies are entitled to receive under this title for such year, the amount available for each grant to a State agency eligible for a grant under subpart 1, 2, or 3 of part B shall be equal to the total amount of the grant as computed under each such subpart. If the remainder of such sums available after the application of the preceding sentence is not sufficient to pay in full the total amounts which all local educational agencies are entitled to receive under subpart 1 of part A of this title for such year, the allocations to such agencies shall, subject to adjustments under the next sentence, be ratably reduced to the extent necessary to bring the aggregate of such allocations within the limits of the amount so appropriated. The allocation of a local educational agency which would be reduced under the preceding sentence to less than 85 per centum of its allocation under subpart 1 of part A for the preceding fiscal year, shall be increased to such amount, the total of the increases thereby required being derived by proportionately reducing the allocations of the remaining local educational agencies, under the preceding sentence, but with such adjustments as may be necessary to prevent the allocation to any remaining local educational agency from being thereby reduced to less than 85 per centum of its allocation for such year. 20 USC 2843. *Ante*, p. 2158. *Ante*, p. 2153.

"(b) ADDITIONAL FUNDS ALLOCATION.—In case additional funds become available for making payments under this title for that year, allocations that were reduced pursuant to subsection (a) shall be increased on the same basis that they were reduced. In order to permit the most effective use of all appropriations made to carry out this title, the Commissioner may set dates by which (1) State educational agencies must certify to him the amounts for which the applications of educational agencies have been or will be approved by the State and (2) State educational agencies referred to in subpart 1 of part

B must file applications. If the maximum grant a local educational agency would receive (after any ratable reduction which may have been required under the first sentence of subsection (a) of this section) is more than an amount which the State educational agency determines, in accordance with regulations prescribed by the Commissioner, such agency will use, the excess amount shall be made available first to educational agencies in that State. Determinations of the educational agencies to which such excess amounts shall be made available shall be made by the State educational agency in furtherance of the purposes of this title in accordance with criteria prescribed by the Commissioner which are designed to assure that such excess amounts will be made available to other eligible educational agencies with the greatest need, for the purpose of, where appropriate, redressing inequities inherent in, or mitigating hardships caused by, the application of the provisions of section 111(a) as a result of such factors as population shifts and changing economic circumstances. In the event excess amounts remain after carrying out the preceding two sentences of this section, such excess amounts shall be distributed among the other States as the Commissioner shall prescribe for use by local educational agencies in such States for the purposes of this title in such manner as the respective State educational agencies shall prescribe.

Ante, p. 2153.

"PAYMENTS FOR STATE ADMINISTRATION

20 USC 2844.

"SEC. 194. (a) Except as provided in subsection (b), the Commissioner is authorized to pay to each State amounts equal to the amounts expended by it for the proper and efficient performance of its duties under this title, except that the total of such payments in any fiscal year shall not exceed—

"(1) 1.5 per centum of the amount allocated to the State and its local educational agencies and to other State agencies as determined for that year under this title; or

"(2) $225,000, or $50,000 in the case of Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands,

whichever is the greater, except that any amount paid by reason of clause (1) or (2) in excess of the limitations on such payments in effect prior to the effective date of the Education Amendments of 1978 shall be used exclusively for monitoring, audit resolution, enforcement, or similar compliance activities and shall supplement and not supplant funds otherwise available from non-Federal sources for such purposes.

"(b) The provisions of this section shall apply in any fiscal year in which the provisions of section 510(b)(2) are not met.

Post, p. 2247.

"PART F—GENERAL PROVISIONS

"JUDICIAL REVIEW

Petition, filing.
20 USC 2851.

"SEC. 195. (a) FILING APPEALS.—If any State is dissatisfied with the Commissioner's final action with respect to the approval of its application submitted under subpart 1 or part B or section 162 or with his final action under section 185 or 186, such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commis-

sioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

"(b) BASIS OF REVIEW.—The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(c) JUDICIAL APPEALS.—Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"NATIONAL ADVISORY COUNCIL

"SEC. 196. (a) COUNCIL ESTABLISHED.—There shall be a National Advisory Council on the Education of Disadvantaged Children (hereinafter in this section referred to as the 'National Council') consisting of fifteen members appointed by the President, without regard to the provisions of title 5, United States Code, governing appointment in the competitive service, for terms of three years, except that (1) in the case of initial members, five shall be appointed for terms of one year each and five shall be appointed for terms of two years each, and (2) appointments to fill vacancies shall be only for such terms as remain unexpired. The National Council shall meet at the call of the Chairman.

Membership, terms.
20 USC 2852.

Meetings.

"(b) FUNCTIONS.—The National Council shall review and evaluate the administration and operation of this title, including its effectiveness in improving the educational attainment of educationally deprived children, including the effectiveness of programs to meet their occupational and career needs, and make recommendations for the improvement of this title and its administration and operations. These recommendations shall take into consideration experience gained under this and other Federal educational programs for disadvantaged children and, to the extent appropriate, experience gained under other public and private educational programs for disadvantaged children.

Recommendations.

"(c) REPORTS.—The National Council shall make such reports of its activities, findings, and recommendations (including recommendations for changes in the provisions of this title) as it may deem appropriate and shall make an annual report to the President and the Congress not later than March 31 of each calendar year. Such annual report shall include a report specifically on which of the various compensatory education programs funded in whole or in part under the provisions of this title, and of other public and private educational programs for educationally deprived children, hold the highest promise for raising the educational attainment of these educationally deprived children. The President is requested to transmit to the Congress such comments and recommendations as he may have with respect to such report. Subject to section 448(b) of the General Educational Provisions Act, the National Council shall continue to exist until October 1, 1984.

Annual submittal to President and Congress.

20 USC 1233g.

"LIMITATION ON GRANT TO PUERTO RICO

20 USC 2853.

"SEC. 197. Notwithstanding the provisions of part A or of subpart 1, 2, or 3 of part B of this title, the amount paid to the Commonwealth of Puerto Rico under this title for any fiscal year shall not exceed 150 per centum of the amount received by Puerto Rico under this title in the preceding fiscal year. Any excess over such amount shall be used to ratably increase the allocations under subpart 1 of part A of the other local educational agencies whose allocations do not exceed the maximum amount for which they are eligible under section 111.

Ante, pp. 2153, 2177.

Ante, p. 2153.

Ante, p. 2153.

"DEFINITIONS

20 USC 2854.

"SEC. 198. (a) Except as otherwise provided, for purposes of this title:

"(1) The term 'average daily attendance' means attendance determined in accordance with State law, except that notwithstanding any other provision of this title, where the local educational agency of the school district in which any child resides makes or contracts to make a tuition payment for the free public education of such child in a school situated in another school district, for purposes of this title the attendance of such child at such school shall be held and considered (A) to be in attendance at a school of the local educational agency so making or contracting to make such tuition payment, and (B) not to be in attendance at a school of the local educational agency receiving such tuition payment or entitled to receive such payment under the contract.

"(2) The term 'average per pupil expenditure' means in the case of a State or the United States, the aggregate current expenditures, during the third fiscal year preceding the fiscal year for which the computation is made (or if satisfactory data for that year are not available at the time of computation, then during the most recent preceding fiscal year for which satisfactory data are available), of all local educational agencies in the State, or in the United States (which for the purposes of this subsection means the fifty States, and the District of Columbia), as the case may be, plus any direct current expenditures by the State for operation of such agencies (without regard to the source of funds from which either of such expenditures are made), divided by the aggregate number of children in average daily attendance to whom such agencies provided free public education during such preceding year.

"(3) The term 'Commissioner' means the United States Commissioner of Education.

"(4) The term 'construction' includes the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities.

"(5) The term 'county' means those divisions of a State utilized by the Secretary of Commerce in compiling and reporting data regarding counties.

"(6) The term 'current expenditures' means expenditures for free public education, including expenditures for administration, instruction, attendance, and health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body

activities, but not including expenditures for community services, capital outlay, and debt service, or any expenditures made from funds granted under this title or parts B and C of title IV of this Act.

Post, pp. 2236, 2237.

"(7) The term 'elementary school' means a day or residential school which provides elementary education, as determined under State law, and the term 'secondary school' means a day or residential school which provides secondary education, as determined under State law, except that it does not include any education provided beyond grade 12.

"(8) The term 'equipment' includes machinery, utilities, and building equipment and any necessary enclosure or structures to house them, and includes all other items necessary for the functioning of a particular facility as a facility for the provision of educational services, including items such as instructional equipment and necessary furniture, printed, published, and audio-visual instructional materials, and books, periodicals, documents, and other related materials.

"(9) The term 'free public education' means education which is provided at public expense, under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State, except that such term does not include any education provided beyond grade 12.

"(10) The term 'local educational agency' means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

"(11) The term 'parent' includes a legal guardian or other person standing in loco parentis.

"(12) The term 'project area' means a school attendance area having a high concentration of children from low-income families which, without regard to the locality of the project itself, is designated as an area from which children are to be selected to participate in a program or project assisted under this title.

"(13) The term 'school attendance area' means in relation to a particular school, the geographical area in which the children who are normally served by that school reside.

"(14) The term 'school facilities' means classrooms and related facilities (including initial equipment) for free public education and interests in land (including site, grading, and improvements) on which such facilities are constructed, except that such term does not include those gymnasiums and similar facilities intended primarily for exhibitions for which admission is to be charged to the general public.

"(15) The term 'Secretary' means the Secretary of Health, Education, and Welfare.

"(16) The term 'State' means a State, Puerto Rico, Guam, the District of Columbia, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

"(17) The term 'State educational agency' means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools.".

20 USC 244.

(b) Section 403 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended—

(1) by striking out, "except as used in title II", where it appears in paragraph (2);

(2) by striking out, ", except that for purposes of title II such term does not include any education provided beyond grade 12", where it appears in paragraph (4);

(3) by striking out, "title II of this act or title II or III" where it appears in paragraph (5), and inserting "title I, II, or III";

(4) by striking out, "(A)" where it appears in paragraph (6) and by striking out subparagraph (B) of such paragraph;

(5) by striking out ", and for purposes of title II, such term includes the Trust Territory of the Pacific Islands" in paragraph (8); and

(6) by striking out paragraphs (15), (16), and (17).

Repeal.
20 USC 241a, 241b, 241c-241o.

(c) Title II of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is repealed.

20 USC 241b-1, 2713.

(d) Section 101(a)(10) of the Education Amendments of 1974 is amended by striking out "Part A" and inserting in lieu thereof "subpart 1 of part A, and part B," and by striking out "such part A" and inserting in lieu thereof "such subpart or part".

STUDY OF ALTERNATIVES FOR DEMONSTRATING COMPARABILITY

20 USC 2701 note.

SEC. 102. (a) The Commissioner shall, not later than September 30, 1981, make a study of the feasibility and desirability of alternative criteria for demonstrating the comparability of services provided with State and local funds in each project area (as defined in section 198(12) of the Elementary and Secondary Education Act of 1965) to those provided outside such areas which ensure, at least to the same extent as the criteria in existing regulations published in the Federal Register (41 F.R. 42894 et seq., September 28, 1976), that children in each school serving such a project area receive comparable services paid for out of State and local funds.

Ante, p. 2198.

45 CFR 116, 116a.

(b) The Commissioner may select all the local educational agencies in one State and not more than twenty such agencies in other States which are reasonably representative of the various geographical areas of the Nation for participation in the study provided for in this section. For purposes of the study, the Commissioner, without regard to section 431 of the General Education Provisions Act, may permit the use of substitute criteria meeting the requirements of subsection (c) in place of criteria contained in existing regulations, to be applicable only for the school years 1979–1980 and 1980–1981 and only to local educational agencies selected to participate in the study.

20 USC 1232.

Participating agencies selection criteria.

(c) Local educational agencies selected for participation in the study provided for in this section shall demonstrate comparability through the use of alternative criteria, which, at a minimum, meet the conditions of the following paragraphs:

(1) Such criteria are approved by the districtwide advisory council established under section 125 of the Elementary and Secondary Education Act of 1965.

Ante, p. 2167.

(2) Based on such criteria, each school serving such a project area receives services comparable to those services provided with

State and local funds in schools not receiving assistance under this title.

(3) Services measured by such criteria shall vary by not more than 5 per centum between each school serving such a project area and other schools of the agency.

(4) Compliance with such criteria shall be determined on the basis of services actually provided during the current school year.

(5) If expenditures are used in the criteria, only expenditures for instructional services shall be included and for this purpose "instructional services" means current expenditures for free public education other than expenditures for attendance and health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities. Instructional services.

(6) In all other respects, such criteria shall be consistent with the regulations of the Commissioner pertaining to comparability of services.

(d) In order to provide a basis for comparison, local educational agencies participating in the study under this section shall continue to make reports under existing criteria for comparability of services. Reports.

TITLE II—ESTABLISHMENT OF A NEW TITLE II OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

BASIC SKILLS

SEC. 201. Title II of the Elementary and Secondary Education Act of 1965 (hereinafter in titles II through IX of this Act referred to as "the Act") is amended to read as follows:

"TITLE II—BASIC SKILLS IMPROVEMENT

"PART A—NATIONAL PROGRAM

"PURPOSE

"SEC. 201. The purpose of this part is— 20 USC 2881.

"(1) to assist Federal, State, and local educational agencies to coordinate the utilization of all available resources for elementary and secondary education to improve instruction so that all children are able to master the basic skills of reading, mathematics, and effective communication, both written and oral;

"(2) to encourage States to develop comprehensive and systematic plans for improving achievement in the basic skills;

"(3) to provide financial assistance to State and local educational agencies for the development of programs in the basic skills;

"(4) to develop means by which parents working with the schools can contribute to improving the educational achievement of their children;

"(5) to encourage the involvement of the private sector in the delivery to children, youths, and adults of educational services and materials that will improve achievement in the basic skills; and

"(6) to expand the use of television and other technology in the delivery of instructional programs aimed at improving achievement in the basic skills.

"APPLICATIONS

Grant or contract.
20 USC 2882.

"SEC. 202. (a) The Secretary may make a grant or award a contract under this part only upon the submission of an application by an eligible entity at the time and in the form prescribed by the Secretary. Each such application by a State or local educational agency shall provide assurances that—

"(1) in designing the proposal for which application is made, the needs of children in nonprofit private elementary and secondary schools have been taken into account through consultation with private school officials; and, to the maximum extent feasible, and consistent with the number of such children in the area to be served who have the educational needs the proposal is intended to address, those children will be provided an opportunity to participate in the proposed activity on a basis comparable to that provided for public school children;

"(2) procedures have been developed to evaluate the effectiveness of the proposed activity in achieving the purposes of this title; and

"(3) procedures have been developed for incorporating successful practices developed with assistance under this title into the regular instructional program.

"(b) No grant or contract may be awarded to a local educational agency under this part unless the appropriate State educational agency has been provided an opportunity for at least thirty days to comment on the application.

"ACCEPTANCE OF GIFTS

20 USC 2883.
20 USC 1221e-3.

"SEC. 203. Notwithstanding the provisions of section 408(a)(3) of the General Education Provisions Act, the Secretary may accept, on behalf of the United States, conditional or unconditional gifts or donations of services, money, or property, made for any activities authorized to be carried out under this title.

"GRANTS AND CONTRACTS

20 USC 2884.

"SEC. 204. (a) In order to achieve the purposes of this part, the Secretary is authorized, during the period of October 1, 1979, through September 30, 1983, to make grants to, and enter into contracts with, State and local educational agencies, and other public and private agencies, organizations, and institutions to carry out planning, research, development, demonstrations (including training of leadership personnel, evaluation, and dissemination, as described in sections 205 through 209), except that no grant may be made under this part to other than a public or nonprofit private agency, organization, or institution.

"(b) The Secretary may provide to such agencies, organizations, and institutions, either directly or through grants or contracts, technical assistance related to the purposes of this part.

"INSTRUCTION IN BASIC SKILLS

20 USC 2885.

"SEC. 205. The Secretary shall provide assistance, in accordance with section 204, for activities designed to demonstrate improved delivery of instructional services in the areas of reading, mathematics, and oral and written communication, including—

"(1) assessment of schoolwide needs to identify the instructional needs of children in basic skills;

"(2) establishing learning goals and objectives for each school;

"(3) the development of comprehensive programs to address the needs through the use of resources available under this part and other resources from local, State, and Federal programs;

"(4) the demonstration of techniques for coordinating the efforts of local agencies, organizations, and institutions, to improve achievement in basic skills;

"(5) preservice training programs for teaching personnel including teacher aides and other ancillary educational personnel, and in-service training and development programs, designed to enable such personnel to improve their ability to teach basic skills; and

"(6) active involvement of teachers, teacher aides, administrators, and other educational personnel to improve their ability to utilize available resources to carry out the purposes of this part.

"PARENTAL PARTICIPATION IN BASIC SKILLS INSTRUCTION

"SEC. 206. The Secretary, in accordance with section 204, shall support activities designed to enlist the assistance of parents and volunteers working with schools to improve the skills of children in reading, mathematics, and oral and written communication. The activities which may be supported under this section include— 20 USC 2886.

"(1) the development and dissemination of materials that, with appropriate training, parents may use in the home to improve their children's performance in those skills; and

"(2) voluntary training activities for parents to encourage them to assist their children in developing basic skills.

"USE OF TECHNOLOGY IN BASIC SKILLS INSTRUCTION

"SEC. 207. The Secretary, in accordance with section 204, shall support development and demonstration activities related to the improved use of television and other technology to contribute to the instruction of children in reading, mathematics, and written and oral communication. The activities authorized under this section shall be designed to expand the variety and improve the quality of instructional efforts involving the use of technology. The activities which may be supported under this section include— 20 USC 2887.

"(1) the development and acquisition of educational programing, including audio and video materials distributed through broadcast, cable, tape, film, cassettes, or other means that provide instruction in basic skills in an effective manner;

"(2) the development and acquisition of instructional materials that supplement educational programing described in clause (1) of this section in order to improve its effectiveness in the school, the home, and other learning environments;

"(3) the development and acquisition of materials to assist teachers in relating such programing, or similar public or commercial programs of educational value, to instruction in the classroom;

"(4) the training of teachers, administrators, and other instructional personnel in the use of educational technology;

"(5) assistance to teachers, administrators, and other instructional personnel for experimentation with new technological approaches to instruction; and

"(6) distribution of information about, and promotion of the use of, such programing and technology in the classroom and other learning environments.

"INVOLVEMENT OF EDUCATIONAL AGENCIES AND PRIVATE ORGANIZATIONS

20 USC 2888.

"SEC. 208. (a) The Secretary shall provide assistance and information to State and local educational agencies, institutions of higher education, and private agencies, organizations, and institutions (such as labor unions, volunteer organizations, and business associations) to support the efforts of such agencies, organizations, and institutions to stimulate children, youths, and adults to improve their achievement in basic skills. The activities which may be supported under this section include—

"(1) programs to motivate children to improve their reading skills through the distribution to children of books;

"(2) instructional programs and voluntary tutorial programs to provide individual assistance outside of the school to children, youths, and adults with instruction needs;

"(3) community efforts to encourage individuals to improve their performance in basic skills; and

"(4) the establishment of programs for lending or selling books to children, youths, and adults.

"(b) Activities supported under subsection (a)(2) may be known as reading academies.

"COLLECTION AND DISSEMINATION OF INFORMATION RELATING TO BASIC SKILLS PROGRAMS

20 USC 2889.

"SEC. 209. The Secretary is authorized to use funds appropriated under this part to collect and analyze information concerning the results of activities carried out under this title and under part C of title IV, including information on the activities which have been successful in improving the achievement of students in the basic skills. Such funds may also be used to disseminate that information to State and local educational agencies and other interested public and private agencies, organizations, and institutions.

Post, p. 2237.

"COORDINATION

Procedures.
20 USC 2890.

"SEC. 210. The Secretary shall establish effective and efficient procedures for coordination between the programs assisted under this part and other parts of this title, with programs assisted under title I and title IV of this Act, title V of the Economic Opportunity Act of 1964, title V of the Higher Education Act of 1965, and other such Federal programs that support efforts to improve the basic skills of children, youth and adults.

An., p. 2153.
Post, p. 2229.
42 USC 2921.
20 USC 1101.

"PART B—STATE BASIC SKILLS IMPROVEMENT PROGRAM

"STATEMENT OF PURPOSE

20 USC 2901.

"SEC. 221. It is the purpose of this part to provide financial assistance to States to enable them—

"(1) to develop comprehensive and systematic statewide plans for improving achievement in the basic skills, to coordinate available resources for elementary and secondary education, and to provide financial assistance to improve the instruction so that all

children are able to master the basic skills of reading, mathematics, and effective communication, both written and oral;

"(2) to provide assistance to local agencies in the development and implementation of comprehensive programs to improve basic skills proficiency and instruction in the elementary and secondary schools;

"(3) to develop means by which parents working with the schools can contribute to improving the educational achievement of their children;

"(4) to provide State leadership in the planning, execution, and evaluation of basic skills instructional programs in elementary and secondary schools; and

"(5) to arrange for and assist in the training of educational staff, including special reading and mathematics personnel and specialists needed in programs assisted under this part.

"AGREEMENTS WITH STATE EDUCATIONAL AGENCIES

"SEC. 222. (a) Any State which desires to receive grants under this part shall, through its State educational agency, enter into an agreement with the Secretary, in such detail as the Secretary deems necessary, which— 20 USC 2902.

"(1) designates the State educational agency as the agency for administration of the agreement;

"(2) provides for a process of active and continuing consultation with the State educational agency, by persons broadly representative of the educational resources of the State and of the general public, including persons representative of— Consultation.

"(A) public and private nonprofit elementary and secondary schoolchildren,

"(B) institutions of higher education,

"(C) parents of elementary and secondary schoolchildren,

"(D) areas of professional competence relating to basic skills instruction in reading and mathematics,

"(E) classroom teachers in the State, and

"(F) local administrators including principals and superintendents,

to advise the State educational agency on the planning, development, implementation, and evaluation of a comprehensive State program for improving basic skills;

"(3) describes the basic skills instructional programs in elementary and secondary schools for which assistance is sought under this part and procedures for giving priority to basic skills programs which are already receiving Federal financial assistance and show reasonable promise of achieving success;

"(4) sets forth criteria for achieving an equitable distribution of that part of the assistance under this part which is made available to local educational agencies pursuant to the second sentence of subsection (b) of this section, which criteria shall— Assistance, equitable distribution criteria.

"(A) take into account the size of the population to be served, beginning with preschool, the relative needs of pupils in different population groups within the State for the program authorized by this part, and the financial ability of the local educational agency serving such pupils, and

"(B) assure that such distribution shall include grants to local educational agencies having high concentrations of children with low reading or mathematics proficiency;

"(5) provides for the coordination and evaluation of programs assisted under this part;

"(6) provides for technical assistance and support services for local educational agencies participating in the program;

"(7) makes provision for the dissemination to the educational community and the general public of information about the objectives of the program and results achieved in the course of its implementation;

"(8) provides for making a report, at least once every three years, and such other reports, in such form and containing such information, as the Secretary may reasonably require to evaluate the effectiveness of the program and to carry out his other functions under this part;

"(9) provides that not more than 5 per centum of the amount allotted to the State under this part for any fiscal year may be retained by the State educational agency for purposes of administering the agreement;

"(10) provides that programs assisted under this part shall be of sufficient size, scope, and quality so as to give reasonable promise of substantial progress toward achieving the purposes of this part; and

"(11) provides that Federal funds expended under the program will supplement the level of State and local funds that would be available for such programs in the absence of Federal assistance, and in no event will supplant such State and local funds.

Grants.

"(b) Grants for projects to carry out the purposes of this part may be made to local educational agencies (subject to the provision of subsection (c) relating to the participation of private elementary and secondary school pupils), institutions of higher education, and other public and nonprofit agencies and institutions. Not less than 70 per centum of the amount allotted to a State under this part for any fiscal year shall be made available by the State for grants to local educational agencies within that State.

Ante, p. 2171.

"(c) The provisions of section 130(a)(1) of this Act relating to the participation of children enrolled in private elementary and secondary schools shall apply to programs assisted under this part.

Assistance applications. School level programs.

"(d) Each application by a local educational agency within a State for assistance under this part shall be developed in conjunction with teachers and building administrators in such district. The application shall set forth a systematic strategy for improving basic skills instruction in the local district which provides for the planning and implementation of comprehensive basic skills instructional programs at the school building level. The school level programs shall address the needs of all students and shall utilize, in a coordinated fashion, resources available from all Federal, State, and local sources. Teachers, administrators, and parents shall be involved in the development of the comprehensive school level programs. Such programs shall include—

"(1) diagnostic assessment to identify the needs of all of the children in the school;

"(2) the establishment of learning goals and objectives for the school;

"(3) to the extent practicable, preservice training and inservice training and development programs for teaching and administrative personnel, including teacher-aides and other ancillary educational personnel, designed to enable such personnel to improve their ability to teach students the basic skills;

"(4) activities designed to enlist the support of parents to aid in the instruction of their children at home and school;

"(5) procedures for the evaluation of the effectiveness of the program, including a program of periodic testing of basic skills achievement and the publication of test results on basic skills performance by grade level and by school, without identification of performance of individual children;

"(6) assessment, evaluation, and collection of information on individual children by teachers during each year of a pre-elementary program, to be made available for teachers in the subsequent year, in order that continuity for the individual child not be lost. Such information shall also be available to parents or guardians of the individual children.

Activities support grants.

"(e) In addition to the grants authorized in subsection (d), the State educational agency may also make grants to support activities designed to enlist the assistance of parents working with schools to improve the skills of their children in reading, mathematics, and oral and written communication. Activities that may be supported under this section include—

"(1) the development and dissemination of materials that parents may use in the home to improve their children's performance in those skills;

"(2) the encouragement of closer contacts between parents and teachers to improve the coordination between learning experiences in the home and those in school;

"(3) planning for, developing and improving centers accessible to parents to provide materials and professional guidance, including volunteers, for parents who desire to assist in the instruction of their children; and

"(4) the demonstration of training programs for parents who desire to develop new skills to complement the instruction their children receive in school.

"(f) The Secretary shall enter into an agreement which complies with the provisions of subsection (a) with any State which desires to enter into such an agreement.

"DISTRIBUTION OF FUNDS

20 USC 2903.

"SEC. 223. The Secretary shall distribute grants under the provisions of this part so as to assure that each State having an agreement under section 222 will receive not less than the amount which bears the same ratio to the total amount available for this part for a fiscal year as the number of school age children (aged five through seventeen inclusive) in that State bears to the number of such children in all States, except that any State having an agreement shall not receive less than $50,000 in any such fiscal year.

"STATE LEADERSHIP PROGRAM

Agreements.
20 USC 2904.

"SEC. 224. The Secretary is authorized to enter into agreement with State educational agencies for the carrying out by such agencies of leadership and training activities designed to prepare personnel throughout the State to implement programs which have been demonstrated in that State or other States to be effective in overcoming deficiencies in the basic skills, and to develop and implement statewide plans for improving the skills of children, youth, and adults in reading, mathematics, and oral and written communication. The activities authorized by this section shall be limited to—

"(1) the development of a comprehensive statewide program providing for the coordination of all Federal and State programs that provide instruction in basic skills;

"(2) planning activities that involve local administrators, teachers, and parents in the development of strategies to improve instruction in basic skills;

"(3) statewide assessments of need relating to basic skills, including the needs of both students and instructional personnel;

"(4) in-service training programs for local administrators, instructional personnel, and other staff members involved in instruction in basic skills; and

"(5) the provision of technical assistance and the dissemination of information relating to basic skills instruction to local educational agencies and other organizations and institutions involved in programs of instruction in basic skills.

"PART C—SPECIAL PROGRAMS FOR IMPROVING BASIC SKILLS

"INEXPENSIVE BOOK DISTRIBUTION PROGRAM FOR READING MOTIVATION

Contract.
20 USC 2911.

"SEC. 231. (a) The Commissioner is authorized (1) to enter into a contract with a private nonprofit group or public agency (hereinafter in this section referred to as the 'contractor'), which has as its primary purpose the motivation of children to learn to read, to support and promote the establishment of reading motivational programs which include the distribution of inexpensive books to students and (2) to pay the Federal share of the cost of such programs.

Federal share, payment.

Contract provisions.

"(b) The contract shall provide that—

"(1) the contractor will enter into subcontracts with local private nonprofit groups or organizations or with public agencies (hereinafter referred to as 'subcontractors') under which the subcontractors will agree to establish, operate, and provide the non-Federal share of the cost of reading motivational programs which include the distribution of books by gift or loan, to pre-elementary, elementary or secondary schoolchildren;

"(2) funds made available by the Commissioner to a contractor pursuant to any contract entered into under this section will be used to pay the Federal share of the cost of establishing and operating reading motivational programs as provided in paragraph (1); and

"(3) the contractor will meet such other conditions and standards as the Commissioner determines to be necessary to assure the effectiveness of the programs authorized by this section and will provide technical assistance in furtherance of the purposes of this section.

"(c) The Commissioner shall make no payment of the Federal share of the cost of acquiring and distributing books pursuant to a contract authorized by this section unless he determines that the contractor or the subcontractor, as the case may be, has made arrangements with book publishers or distributors to obtain books at discounts at least as favorable as discounts that are customarily given by such publisher or distributor for book purchases made under similar circumstances in the absence of Federal assistance.

Definitions.

"(d) For purposes of this section—

"(1) the term 'nonprofit', when used in connection with any organization, means an organization no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual;

"(2) the term 'Federal share' means, with respect to the cost of books purchased by a local private nonprofit group, organization, or public agency for a program in a locality for distributing such books to schoolchildren in that locality, 75 per centum of the cost of that agency or group or organization for such books for such program; except when such nonprofit group, organization or public agency has within the two years preceding its application for assistance, received Federal funds under a program to benefit migrant and seasonal farmworkers in which the Federal share was 100 per centum. In that case the term 'Federal share', under this section, shall mean 100 per centum of the cost of that agency or group or organization for such books that are distributed to the children of migrant and seasonal farmworkers; and

"(3) the term 'pre-elementary school' means a day or residential school which provides pre-elementary education, as determined under State law, except that such term does not include education for children who have not attained three years of age.

"(e) There are authorized to be appropriated to carry out the provisions of this section $9,000,000 for fiscal year 1979, $10,000,000 for fiscal year 1980, $11,000,000 for fiscal year 1981, and $12,000,000 for each of the two succeeding fiscal years. Under such conditions as the Commissioner determines to be appropriate, not to exceed 10 per centum of the amounts appropriated for each fiscal year shall be available for a contract from the Commissioner to the contractor designated under subsection (a) of this section for technical assistance under subsection (b)(3) of this section to carry out the provisions of such section. Appropriation authorization.

"SPECIAL MATHEMATICS PROGRAM

"SEC. 232. (a) The Commissioner is authorized to make grants to, and enter into contracts with, one or more private nonprofit agencies, institutions, or organizations, for the conduct, in cooperation with one or more local educational agencies, of special programs for the teaching of standard mathematics to children eligible for services under titles I and VI of this Act through instruction in advanced mathematics by qualified instructors with bachelor's degrees in mathematics, or the mathematical sciences from colleges or other institutions of higher education, or equivalent experience. 20 USC 2912. *Ante*, p. 2153, *Post*, p. 2252.

"(b) There are authorized to be appropriated such sums as may be necessary for fiscal year 1980 and for each of the three succeeding fiscal years, to carry out the provisions of this section. Appropriation authorization.

"PART D—GENERAL PROVISIONS

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 241. There are authorized to be appropriated such sums for the fiscal year 1980 and for each succeeding fiscal year ending prior to October 1, 1983, as may be necessary to carry out the provisions of parts A and B of this title. 20 USC 2921.

"APPORTIONMENT OF APPROPRIATIONS

"SEC. 242. (a) From the first $20,000,000 appropriated pursuant to section 241 of any fiscal year the Secretary shall carry out the provision of part A of this title. 20 USC 2922.

"(b) From the amounts in excess of $20,000,000 in any fiscal year the Secretary shall carry out the provisions of part B of this title.".

TITLE III—ESTABLISHMENT OF A NEW TITLE III OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

SPECIAL PROJECTS

SEC. 301. (a) Title III of the Act is amended to read as follows:

"TITLE III—SPECIAL PROJECTS

"PART A—GENERAL PROVISIONS

"STATEMENT OF PURPOSE

20 USC 2941.

"SEC. 301. It is the purpose of this title to authorize the Commissioner to carry out special projects—

"(1) to experiment with new educational and administrative methods, techniques, and practices;

"(2) to meet special or unique educational needs or problems;

"(3) to place special emphasis on national education priorities; and

"(4) to disseminate information to State and local educational agencies.

"GRANTS AND CONTRACTS AUTHORIZED

20 USC 2942.

"SEC. 302. (a) The Commissioner is authorized, during the period of October 1, 1979, through September 30, 1983, to make grants to, and enter into contracts with, State and local educational agencies, other public and private agencies, organizations, and institutions, and individuals to carry out the purposes of this title, except that no grant may be made under this title to other than a public agency or nonprofit private organization, or institution, or to an individual under section 303(b) of this part.

Determination.

"(b) No grant or contract may be awarded under this title to a State or local educational agency unless the Commissioner determines that in designing the proposal for which application is made, the needs of children in nonprofit private elementary and secondary schools have been taken into account through consultation with private school officials; and, to the maximum extent feasible, and consistent with the number of such children in the area to be served who have the educational needs the proposal is intended to address, those children will be provided an opportunity to participate in the proposed activity on a basis comparable to that provided for public schoolchildren.

"COMMISSIONER'S DISCRETIONARY PROJECTS

20 USC 2943.

"SEC. 303. (a) From the amount available for the purposes of this section, the Commissioner is authorized, through grants or contracts, to carry out innovative or experimental projects to assist in the development or demonstration of methods, techniques, or practices which contribute to the solution of educational problems and which are consistent with the purposes of this title.

Grants.

"(b) The Commissioner is also authorized, from the amount available for the purposes of this section, to make grants not to exceed $25,000, to teachers, administrators, other educational personnel, and parent organizations to assist in the development or demonstration of

innovative methods or techniques which would contribute to the solution of educational problems. Any grant to an individual who is employed by a local educational agency shall be made only if the Commissioner determines that the agency has had an opportunity to comment on the proposal and will cooperate with the grantee in carrying out the proposed activity. Determination.

"(c) The Commissioner is also authorized, from the amount available for the purpose of this section, to make grants and enter into contracts for— Grants and contracts.

"(1) the development of curricula, and the dissemination of information relating to the improvement of teaching energy conservation to elementary and secondary school children, and

"(2) the training of personnel to teach energy conservation to such children.

In carrying out the provisions of this subsection, the Commissioner shall use to the maximum extent practicable materials developed by the Department of Energy, the Community Services Administration, and the Department of Housing and Urban Development.

"(d)(1) There are authorized to be appropriated for the purposes of this section such sums as may be necessary for fiscal year 1980 and for each of the three succeeding fiscal years. Appropriation authorization.

"(2) From the sums appropriated for any fiscal year for the purposes of this title (other than sums appropriated pursuant to paragraph (1) of this subsection), the Commissioner may reserve not more than 10 percent of such sums for the purposes of this section. The Commissioner shall not reserve from sums appropriated for any fiscal year for any part of this title (other than sums appropriated pursuant to paragraph (1) of this subsection) more than 10 percent from the sums so appropriated for each such part.

"PART B—METRIC EDUCATION

Metric Education Act of 1978.

"SHORT TITLE; DECLARATION OF PURPOSE

"SEC. 311. (a) This part may be cited as the 'Metric Education Act of 1978'. 20 USC 2951.

"(b)(1) The Congress finds that—

"(A) the metric system of measurement is in general use in industrially developed nations and its use is increasing;

"(B) increased use of such metric system in the United States is inevitable, and such a metric system will become the dominant system of weights and measures in the United States; and

"(C) a Federal program is vitally necessary if the American people are to adapt to the use of the metric system of weights and measures.

"(2) It is the purpose of this part to encourage and support programs that prepare students to use the metric system of measurement with ease and facility as a part of the regular education program.

"PROGRAM AUTHORIZED

"SEC. 312. (a) The Commissioner shall carry out a program of grants and contracts to encourage educational agencies and institutions to prepare students to use the metric system of measurement. Activities assisted under this part may include— Grants and contracts. 20 USC 2952.

"(1) the development, demonstration, improvement, or adaptation of programs of education in the use of the metric system;

"(2) training educational personnel to carry out programs in the use of the metric system;

"(3) the development and dissemination of instructional materials for use in metric education programs; and

"(4) other activities that will encourage and assist students to learn the use of the metric system.

"Metric system of measurement."

"(b) For the purposes of this part, the term 'metric system of measurement' means the international system of units as established by the General Conference of Weights and Measures in 1960 and interpreted or modified for the United States by the Secretary of Commerce.

"APPLICATION

Financial assistance.
20 USC 2953.

"SEC. 313. Financial assistance under this part may be made only upon application to the Commissioner. The application shall be submitted at such time, in such form, and containing such information as the Commissioner may reasonably prescribe. The application shall be approved only if it—

"(1) provides that the activities and services for which assistance is sought will be administered by, or under the supervision of, the applicant;

"(2) describes a program which holds promise of making a substantial contribution toward attaining the purpose of this part;

"(3) sets forth such policies and procedures as will insure adequate evaluation of the activities intended to be carried out under the application; and

"(4) contains such other provisions as the Commissioner determines necessary in order to accomplish the purpose of this part.

"AUTHORIZATION OF APPROPRIATIONS

20 USC 2954.

"SEC. 314. There are authorized to be appropriated $20,000,000 for the fiscal year 1979 and for each of the four succeeding fiscal years to carry out the provisions of this part.

Arts in Education Act of 1978.

"PART C—ARTS IN EDUCATION

"SHORT TITLE; STATEMENT OF FINDINGS

20 USC 2961.

"SEC. 321. (a) This part may be cited as the 'Arts in Education Act of 1978'.

"(b)(1) The Congress finds that—

"(A) the arts should be an essential and vital component of every student's education;

"(B) the arts provide students with useful insights to all other areas of learning; and

"(C) a Federal program is necessary to foster and maintain the interrelationship of arts and education.

"(2) It is the purpose of this part to encourage and support programs that recognize and stress the essential role the arts can play in elementary and secondary education.

"PROGRAM AUTHORIZED

Grants and contracts.
20 USC 2962.

"SEC. 322. The Commissioner shall carry out a program of grants and contracts to encourage and assist State and local educational agencies and other public and private agencies, organizations, and institu-

tions to establish and conduct programs in which the arts are an integral part of elementary and secondary school curricula. Activities carried out under this part may include arrangements with public and private cultural organizations, agencies, and institutions, including museums, libraries, and theaters, to achieve the purpose of this part. Furthermore, the Commissioner may carry out a program to develop and implement model projects and programs in the performing arts for children and youth, through arrangements made with the John F. Kennedy Center for the Performing Arts. In addition, the Commissioner may carry out a program for the purpose of identifying, developing, and implementing model projects or programs in all the arts for handicapped persons through arrangements made with the National Committee, Arts for the Handicapped.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 323. There are authorized to be appropriated $20,000,000 for the fiscal year 1979 and for each of the four succeeding fiscal years to carry out the provisions of this part. 20 USC 2963.

"PART D—PRESCHOOL PARTNERSHIP PROGRAMS

"ESTABLISHMENT OF PROGRAM

"SEC. 325. (a) The Commissioner is directed to establish, in cooperation with the Assistant Secretary for Human Development of the Department of Health, Education, and Welfare, a program of cooperative pilot projects between local educational agencies and Project Head Start, as authorized by the Headstart-Follow Through Act, which will provide a smoother and more successful transition to formal schooling for certain preschool-aged children, and thereby improve their long-term achievement in elementary school. 20 USC 2971. 42 USC 2921.

"(b) Projects established under this program will be designed to achieve the purposes of subsection (a) by—

"(1) providing to a limited number of children aged three to four, inclusive, of low-income families and to their parents, families, or guardians a program of educational services including instruction, counseling, and testing, to be conducted primarily in the child's home;

"(2) providing to children and adults who have participated in the services described above, during the following year appropriate educational services, testing, and counseling, to be primarily conducted on the premises of an elementary school; and

"(3) providing a coordinated program of testing and assessment, along with such other evaluation procedures as the Commissioner and the Assistant Secretary shall deem appropriate, designed to assess the achievement of children during their participation in the program and subsequently at the end of each of the first two years of formal schooling.

"(c) Funds provided under this part may also be used to fund early childhood and family education programs for children below kindergarten age. Such programs may include—

"(1) the identification of potential barriers to learning;

"(2) education of parents in child development, including education of parenthood programs for secondary school students; and

"(3) home-based programs of early childhood and family education.

"(d) Not less than 10 percent of the funds made available for purposes of section 303 for each fiscal year shall be made available for purposes of this part.

Consumer Education Act of 1978.

"PART E—CONSUMER EDUCATION

"SHORT TITLE; STATEMENT OF FINDINGS

20 USC 2981.

"SEC. 331. (a) This part may be cited as the 'Consumer Education Act of 1978'.

"(b) The Congress finds that—

"(1) in an inflated economy, the American consumer is finding that the dollar is buying less and less;

"(2) the consumer needs useful information in order to make wise economic choices; and

"(3) Federal involvement is needed to encourage and support the development of consumer education programs throughout the country.

"OFFICE OF CONSUMERS' EDUCATION

Establishment and Director. 20 USC 2982.

"SEC. 332. (a) There shall be within the Office of Education an Office of Consumers' Education (hereafter in this section referred to as the 'Office') which shall be headed by a Director of Consumers' Education (hereafter in this section referred to as the 'Director') who, subject to the management of the Commissioner, shall have responsibility for carrying out the provisions of this section.

"(b) The Director shall be appointed by the Commissioner in accordance with the provisions of title 5 of the United States Code relating to appointments to the competitive service.

"PROGRAM AUTHORIZED

Grants and contracts. 20 USC 2983.

"SEC. 333. (a) The Commissioner shall carry out a program of making grants to, and contracts with, institutions of higher education, State and local educational agencies, and other public and private agencies, organizations and institutions (including libraries) to support research, demonstration, and pilot projects designed to provide consumer education to the public except that no grant may be made other than to a nonprofit agency, organization, or institution.

"(b)(1) Funds appropriated for grants and contracts under this part shall be available for such activities as—

"(A) the development of curricula (including interdisciplinary curricula) in consumer education;

"(B) dissemination of information relating to such curricula;

"(C) in the case of grants to State and local educational agencies and institutions of higher education, for the support of education programs at the elementary and secondary and higher education levels; and

"(D) preservice and in-service training programs and projects (including fellowship programs, institutes, workshops, symposiums, and seminars) for educational personnel to prepare them to teach in subject matter areas associated with consumer education.

"(2) In addition to the activities specified in the first sentence of this subsection, such funds may be used for projects designed to demonstrate, test and evaluate the effectiveness of any such activities, whether or not assisted under this section. Activities assisted pursuant to this section shall provide bilingual assistance when appropriate.

"APPLICATION

"SEC. 334. Financial assistance under this part may be made available only upon application to the Commissioner. Each application shall be submitted at such time, in such form, and containing such information as the Commissioner shall prescribe by regulation and shall be approved only if it— Financial assistance. 20 USC 2984. Regulation.

"(1) provides that the activities and service for which assistance is sought will be administered by, or under the supervision of, the applicant;

"(2) describes a program for carrying out one or more of the activities described in section 333(b) which holds promise of making a substantial contribution toward attaining the purposes of this part;

"(3) sets forth such policies and procedures as will insure adequate evaluation of the activities intended to be carried out under the application;

"(4) sets forth policies and procedures which assure that Federal funds made available under this part for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available by the applicant for the purposes described in this part, and in no case supplant such funds;

"(5) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this part; and

"(6) provides for making an annual report and such other reports in such form and containing such information, as the Commissioner may reasonably require and for keeping such records, and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

"REPORTS AND EVALUATIONS

"SEC. 335. Each recipient of Federal funds under this part shall make such reports and evaluations as the Commissioner shall prescribe by regulation. 20 USC 2985.

"RESERVATION OF FUNDS

"SEC. 336. From funds available for purposes of section 303, not less than $5,000,000 shall be made available for each fiscal year to carry out this part. 20 USC 2986.

"PART F—YOUTH EMPLOYMENT

"PROGRAM AUTHORIZED

"SEC. 341. (a) The Commissioner shall carry out a youth employment program, the purpose of which shall be to prepare children to take their place as working members of society. 20 USC 2991.

"(b) The program carried out under this part shall support activities designed to—

"(1) study the relationship of work to academic and intellectual achievement;

"(2) develop ways to improve achievement in basic educational skills through work experience;

"(3) enhance job opportunities for youths by coordinating educational activities with youth employment activities, particularly those carried out by the Secretary of Labor under the Comprehensive Employment and Training Act;

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"(4) encourage educational agencies and institutions to develop means to award academic credit for competencies derived from work experience; and

"(5) provide technical assistance, information, training, and other assistance to eligible entities to develop programs to enable students more readily to make the transition from school to work.

"AUTHORIZATION OF APPROPRIATIONS

20 USC 2992.

"SEC. 342. There is authorized to be appropriated $7,500,000 for the fiscal year 1979 and for each of the four succeeding fiscal years to carry out the provisions of this part.

Law-Related Education Act of 1978.

"PART G—LAW-RELATED EDUCATION

"SHORT TITLE; DECLARATION OF FINDINGS

20 USC 3001.

"SEC. 346. (a) This part may be cited as the 'Law-Related Education Act of 1978'.

"(b) The Congress finds and declares that—

"(1) there is a widespread lack of understanding of how our system of law and legal institutions works;

"(2) such an understanding is an essential component in developing faith and appreciation in our democratic system of government and in preparing our youth to be knowledgeable, responsible citizens; and

"(3) there is an urgent need for Federal involvement designed to encourage and support the development of law-related education programs.

"PROGRAM AUTHORIZED

Grants and contracts.
20 USC 3002.

"SEC. 347. (a) The Commissioner shall carry out a program of grants and contracts to encourage State and local educational agencies and other public and private nonprofit agencies, organizations, and institutions to provide law-related education programs.

"Law-related education."

"(b) For the purposes of this part, the term 'law-related education' means education to equip nonlawyers with knowledge and skills pertaining to the law, the legal process and the legal system, and the fundamental principles and values on which these are based.

Financial assistance application, regulation.

"(c) Financial assistance under this part may be made available only upon application to the Commissioner. The application shall be submitted at such time, in such form, and containing such information as the Commissioner shall prescribe by regulation.

"(d) Funds appropriated for grants and contracts under this part shall be available for activities such as—

"(1) awareness activities, to provide educators, law-related personnel, and the public with an understanding of what law-related education is;

"(2) support for new and ongoing programs in elementary and secondary schools, adult education, community organizations, and institutions of higher education, to provide law-related education, to develop materials and methods, to conduct pilot and demonstration projects, and to disseminate the products of these activities;

"(3) clearinghouse and technical assistance, to collect and provide information and assistance on existing experience and resources to institutions, groups, agencies, organizations, and individuals to aid in establishing, improving, and expanding law-related education activities;

"(4) training for educators and law-related personnel in the substance and practice of law-related education, including pre-service and in-service seminars, workshops, institutes, and courses;

"(5) research and evaluation, to study and improve the effectiveness of materials and methods in law-related education;

"(6) involvement of law-related organizations, agencies and personnel, such as lawyers, law schools, law students, and law enforcement personnel, in the provision of law-related education activities; and

"(7) youth internships for outside-the-classroom experience with the law and the legal system.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 348. There is authorized to be appropriated $15,000,000 for the fiscal year 1979 and for each of the four succeeding fiscal years to carry out the provisions of this part. 20 USC 3003.

"PART H—ENVIRONMENTAL EDUCATION

Environmental Education Act of 1973.

"SHORT TITLE; DECLARATION OF FINDINGS; PURPOSE

"SEC. 351. (a) This part may be cited as the 'Environmental Education Act of 1978'. 20 USC 3011.

"(b) The Congress finds and declares that—

"(1) the deterioration of the quality of the Nation's environment and of its ecological balance poses a serious threat to the strength and vitality of the people of the Nation;

"(2) that this deterioration is in part due to poor understanding of the Nation's environment and of the need for ecological balance;

"(3) that existing resources are not adequate for educating and informing citizens about environmental matters; and

"(4) that the Federal Government should encourage and support efforts to educate citizens about environmental quality and ecological balance.

"(c) It is the purpose of this part to encourage and support the development of new and improved curricula to encourage understanding of policies, and support of activities designed to enhance environmental quality and maintain ecological balance while giving due consideration to the economic considerations related thereto; to demonstrate the use of such curricula in model educational programs and to evaluate the effectiveness thereof, to provide support for the initiation and maintenance of programs in environmental education at the elementary and secondary levels; to disseminate curricular materials and other information for use in educational programs throughout the Nation; to provide training programs for teachers, other educational personnel, public service personnel, and community, labor, and industrial and business leaders and employees, and government employees at State, Federal, and local levels; to provide for the planning of outdoor ecological study centers; to provide for community education programs on preserving and enhancing environmental quality and maintaining ecological balance; and to provide for the preparation

and distribution of materials by mass media in dealing with the environment and ecology.

"OFFICE OF ENVIRONMENTAL EDUCATION

Establishment and functions. 20 USC 3012.

"SEC. 352. There is established within the Office of Education an Office of Environmental Education (referred to in this section as the 'Office') which, under the supervision of the Commissioner, by regulation, shall be responsible for (1) the administration of the program authorized by section 353 and (2) the coordination of activities of the Office of Education which are related to environmental education. The Office shall be headed by a Director who shall be compensated at a rate not to exceed that prescribed for grade GS-17 in section 5332 of title 5, United States Code.

Director.

5 USC 5332 note.

"PROGRAM AUTHORIZED

Environmental education. 20 USC 3013.

"SEC. 353. (a) For the purposes of this part, the term 'environmental education' means the educational process dealing with man's relationship with the Earth and his effect on the Earth and his relationship with his natural and man-made surroundings, and includes the relations of energy, population, pollution, resource allocation and depletion, conservation, transportation, technology, economic impact, and urban and rural planning to the total human environment.

Grants and contracts.

"(b)(1) The Commissioner shall carry out a program of making grants to, and contracts with, institutions of higher education, State and local educational agencies, regional educational research organizations, and other public and private agencies, organizations, and institutions (including libraries and museums) to support research, demonstration, and pilot projects designed to educate the public on the problems of environmental quality and ecological balance, except that no grant may be made other than to a nonprofit agency, organization, or institution.

"(2) Funds appropriated for grants and contracts under this part shall be available for such activities as—

"(A) the development of curricula (including interdisciplinary curricula) in the preservation and enhancement of environmental quality and ecological balance;

"(B) dissemination of information relating to such curricula and to environmental education, generally;

"(C) in the case of grants to State and local educational agencies, or groups of such agencies, for the suport of environmental education programs at the elementary and secondary education levels;

"(D) preservice and in-service training programs and projects (including fellowship programs, institutes, workshops, symposia, and seminars) for educational personnel to prepare them to teach in subject matter areas associated with environmental quality and ecology or to develop interdisciplinary strategies and programs of environmental quality and ecology and for public service personnel, Government employees and business, labor, and industrial leaders and employees;

"(E) planning of outdoor ecological study centers;

"(F) community education programs on environmental quality, including special programs for adults;

"(G) preparation and distribution of materials suitable for use by the mass media in dealing with the environment and ecology; and

"(H) establishing prize contests in the elementary and secondary schools in the area of energy, the emphasis to be placed upon stimulating new thinking about ways to better understand and solve the energy crisis.

In addition to the activities specified in the first sentence of this paragraph, such funds may be used for projects designed to demonstrate, test, and evaluate the effectiveness of any such activities, whether or not assisted under this section.

"APPLICATION

"SEC. 354. (a) Financial assistance under this part may be made available only upon application to the Commissioner. The application shall be submitted at such time, in such form, and containing such information as the Commissioner shall prescribe by regulation and shall be approved only if it— Financial assistance. 20 USC 3014. Regulation.

"(1) provides that the activities and services for which assistance is sought will be administered by, or under the supervision of, the applicant;

"(2) describes a program for carrying out one or more of the activities described in section 353(b)(2) which holds promise of making a substantial contribution toward attaining the purposes of this part;

"(3) sets forth such policies and procedures as will insure adequate evaluation of the activities intended to be carried out under the application;

"(4) sets forth policies and procedures which assure that Federal funds made available under this part for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available by the applicant for the purposes described in this part, and in no case supplant such funds;

"(5) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this part; and

"(6) provides for making an annual report and such other reports, in such form and containing such information, as the Commissioner may reasonably require and for keeping such records, and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

"(b) Applications from local educational agencies for financial assistance under this part may be approved by the Commissioner only if the State educational agency has been notified of the application and been given the opportunity to offer recommendations. Notification.

"(c) Amendments of applications shall, except as the Commissioner may otherwise provide by or pursuant to regulation, be subject to approval in the same manner as original applications.

"(d) Federal assistance to any program or project under this section, other than those involving curriculum development, dissemination of curricular materials, and evaluation, shall not exceed 80 per centum of the cost of such program for the first fiscal year of its operation, including costs of administration, unless the Commissioner determines, pursuant to regulations adopted and promulgated by the Commissioner establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance Federal share.

of the purposes of this section. The Federal share for the second year shall not exceed 60 per centum, and for the third year and each succeeding fiscal year 40 per centum. Non-Federal contributions may be in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services.

"TECHNICAL ASSISTANCE

20 USC 3015.

"SEC. 355. The Commissioner in cooperation with the heads of other agencies with relevant jurisdiction, shall insofar as practicable upon request, render technical assistance to local educational agencies, public and private nonprofit organizations, institutions of higher education, agencies of local, State, and Federal governments and other agencies deemed by the Commissioner to play a role in preserving and enhancing environmental quality and maintaining ecological balance. The technical assistance shall be designed to enable the recipient agency to carry on education programs which are related to environmental quality and ecological balance.

"SPECIAL GRANTS

20 USC 3016.

"SEC. 356. (a) In addition to the grants authorized under section 353, the Commissioner, from the sums appropriated, shall have the authority to make grants, in sums not to exceed $10,000 annually, to nonprofit organizations such as citizens' groups, volunteer organizations working in the environmental field, and other public and private nonprofit agencies, institutions, or organizations for conducting courses, workshops, seminars, symposia, institutes, and conferences, especially for adults and community groups (other than the group funded).

"(b) Priority shall be given to proposals demonstrating innovative approaches to environmental education.

Evidence and report requirements.

"(c) For the purposes of this section, the Commissioner shall require evidence that the interested organization or group shall have been in existence one year prior to the submission of a proposal for Federal funds and that it shall submit an annual report on Federal funds expended.

"(d) Proposals submitted by organizations and groups under this section shall be limited to the essential information required to evaluate them, unless the organization or group shall volunteer additional information.

"ADMINISTRATION

20 USC 3017.

"SEC. 357. In administering the provisions of this part, the Commissioner is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public or private agency or institution in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement, as may be agreed upon. The Commissioner shall publish annually a list and description of projects supported under this part and shall distribute such list and description to interested educational institutions, citizens' groups, conservation organizations, and other organizations and individuals involved in enhancing environmental quality and maintaining ecological balance.

Project list and description, publication and distribution.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 358. (a) There is authorized to be appropriated $5,000,000 for the fiscal year 1979, $7,000,000 for the fiscal year 1980, $9,000,000 for the fiscal year 1981, $11,000,000 for the fiscal year 1982, and $13,000,000 for the fiscal year 1983 to carry out the provisions of this part. Funds appropriated under this part shall remain available to the Commissioner for the duration of this part in order to permit multiple-year funding of projects under this part. 20 USC 3018.

"(b) For each fiscal year, not to exceed $500,000 of the sums appropriated under this part shall be available for the purpose of carrying out section 353(b)(2)(H).

"PART I—HEALTH EDUCATION

Health Education Act of 1978.

"SHORT TITLE; DECLARATION OF PURPOSE

"SEC. 361. (a) This part may be cited as the 'Health Education Act of 1978'. 20 USC 3021.

"(b)(1) The Congress finds and declares that—

"(A) there is an increased concern for physical health and wellbeing;

"(B) an understanding of the principles of good health can play a vital role in preventing illness and diseases;

"(C) a Federal program is needed to assist State and local educational agencies in developing health education programs.

"(2) It is the purpose of this part to encourage and support programs that prepare students to maintain their physical health and wellbeing, and to prevent illnesses and diseases, as a part of the regular education program.

"PROGRAM AUTHORIZED

"SEC. 362. (a) The Commissioner is authorized to make grants to State and local educational agencies to establish and support programs in health education. Grants. 20 USC 3022.

"(b) Prior to establishing final regulations for making grants under this part, the Commissioner shall consult with the Assistant Secretary of Health, Education, and Welfare for Health and the Surgeon General to assure coordination and nonduplication of effort. Regulations, consultation.

"APPLICATION

"SEC. 363. Financial assistance under this part may be made only upon application to the Commissioner. Each such application shall contain assurances that any funds received under this part will be used in a coordinated and cooperative manner with any other health education related program that the applicant may be undertaking, and shall not duplicate such other programs. Financial assistance. 20 USC 3023.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 364. There are authorized to be appropriated $10,000,000 for the fiscal year 1979 and for each of the four succeeding fiscal years to carry out the provisions of this part. 20 USC 3024.

"PART J—CORRECTION EDUCATION

"SHORT TITLE

Correction Education Demonstration Project Act of 1978.
20 USC 3031.

"SEC. 371. This Act may be cited as the 'Correction Education Demonstration Project Act of 1978'.

"PROGRAM AUTHORIZED

Grants.
20 USC 3032.

"SEC. 372. (a) The Commissioner is authorized to make grants to State and local educational agencies, institutions of higher education, and other public and private nonprofit agencies, organizations, and institutions for demonstration projects relating to the academic and vocational education of antisocial, aggressive, or delinquent persons, including juvenile delinquents, youth offenders, and adult criminal offenders. All projects shall include an evaluation component.

Financial assistance, application.

"(b) Financial assistance under this part may be made available only upon application to the Commissioner. The application shall be submitted at such time, in such form, and containing such information as the Commissioner may reasonably prescribe.

"TECHNICAL ASSISTANCE

Advisory committees, appointment. Consultation.
20 USC 3033.

"SEC. 373. The Commissioner is authorized to appoint such special or technical advisory committees as he may deem necessary to advise him on matters of general policy relating to the education of persons intended to be benefitted by this section, and shall secure the advice and recommendations of the Director, Bureau of Prisons; Administrator, Office of Juvenile Justice and Delinquency Prevention; Director of the Teacher Corps; the Director of the National Institute of Law Enforcement and Criminal Justice; the Administrator of the Law Enforcement Assistance Administration, and such other persons and organizations as he, in his discretion, deems necessary before making any grant under this section.

"AUTHORIZATION OF APPROPRIATIONS

20 USC 3034.

SEC. 374. There is authorized to be appropriated $5,000,000 for fiscal year 1979 and for each of the four succeeding fiscal years to carry out the provisions of this part.

"PART K—DISSEMINATION OF INFORMATION

"DISSEMINATION OF INFORMATION

20 USC 3041.

"SEC. 376. The Commissioner shall allocate at least 5 percent of the funds available for purposes of section 303 to collect, analyze, and disseminate information derived from activities carried out under this title and under part C of title IV, including information as to which of those activities have been successful in improving the achievement of students in the basic skills.

Post, p. 2237.

"PART L—BIOMEDICAL SCIENCES

"FINDINGS AND PURPOSE

"SEC. 381. It is the purpose of this part to— 20 USC 3051.

"(1) introduce secondary students from an economically disadvantaged background to the challenges, opportunities, and needs of serving in communities which have a need for professionals trained in the biomedical sciences and which have an underrepresentation of individuals from such a disadvantaged background serving as medical professionals;

"(2) motivate and educate these students to successfully pursue careers in the biomedical sciences;

"(3) develop academic, cognitive, and communicative skills in these students;

"(4) rectify disadvantages resulting from foreign language barriers; and

"(5) instill awareness and concern in these students for the health of their families and communities;

by offering these students an intensive academic program in mathematics, the sciences, and English, study skill development, experiences in laboratory and health care delivery settings, and frequent exposure to individuals trained, or receiving training, in the biomedical sciences.

"DEFINITIONS

"SEC. 382. For the purposes of this part— 20 USC 3052.

"(1) The term 'applicant' means an institution which has made application under section 385 for assistance under this part.

"(2) The term 'biomedical science' means a field relevant to the study of human biology, and includes chemistry, biology, medicine, dentistry, osteopathy, optometry, podiatry, pharmacy, and public health.

"(3) The term 'full participant' means with respect to a project conducted in an academic year, a student who has participated satisfactorily in the project for not less than one hundred hours in the academic year.

"(4) The term 'project' means a project funded under this part.

"(5) The term 'public secondary school system' means secondary schools operated by a local educational agency or a secondary school operated predominantly for Indian children and operated by, or receiving financial assistance from, the Department of the Interior.

"(6) The term 'school of biomedical science' means an institution of higher education which provides training leading to a doctorate or master's degree in a biomedical science.

"(7) The term 'student from an economically disadvantaged background' means an individual from a family which had, during the preceding year, an income equal to 50 per centum or less of the national median income for families of comparable size and (A) who is enrolled in good standing in the ninth, tenth, eleventh, or twelfth grade of a secondary school and (B) whose access to higher educational opportunity in the biomedical sciences is significantly limited due to the income of the individual's family.

"(8) The term 'talented student from an economically disadvantaged background' means a student from an economically

disadvantaged background who has demonstrated such proficiency or potential as will enable the student, after satisfactory participation in a project, to undertake successfully a course of study in a biomedical science at an institution of higher education. Such proficiency or potential shall be determined in a manner such that (A) a student from a non-English speaking background is not penalized for the student's lack of proficiency in English, and (B) due notice is taken of difficulties inherent in traditional testing methods.

"(9) The term 'target student' means, with respect to a project offered in an academic year in cooperation with a secondary school system or systems, a talented student from an economically disadvantaged background who is enrolled in the school system or systems in the academic year—

"(A) in the ninth or tenth grade, or

"(B) in the eleventh or twelfth grade and who has participated satisfactorily in a project (or in a program comparable to a project) for not less than one hundred hours during the student's enrollment in the ninth or tenth grade in a school system.

"PROJECTS FOR ECONOMICALLY DISADVANTAGED STUDENTS

Grants and contracts.
20 USC 3053.

"SEC. 383. (a) To the extent provided in appropriation Acts, the Commissioner is authorized to make grants to and enter into contracts with institutions of higher education for the purpose of offering projects to educate, motivate, and encourage students from an economically disadvantaged background to pursue training at the undergraduate and graduate levels in the biomedical sciences.

Applications, selection.

"(b) The Commissioner, in his selection among applications meeting the requirements for approval under section 385, shall (1) give priority to each such qualified application that proposes the offering of a program not previously offered, (2) give special consideration to each such qualified application that proposes the offering of a project to students enrolled in secondary schools located in a health manpower shortage area (designated under section 332 of the Public Health Service Act) or in a rural area, and (3) take into account the location where the project is proposed to be offered to assure that projects are offered in a diversity of geographic settings.

42 USC 254e.

"(c) The amount of money to be provided, under any grant or contract entered into for a project, for all its expenses (other than special expenses approved by the Commissioner for its summer program offered pursuant to section 384(a)(10)) for a single fiscal year may not exceed an amount equal to $2,400 for each talented student from an economically disadvantaged background who was a full participant in the project in the academic year ending in that fiscal year.

"PROJECT ACTIVITIES

20 USC 3054.

"SEC. 384. (a) Each project funded under this part shall—

"(1) except as provided in subsection (b), extend over a multiyear grant or contract period of at least five academic years;

"(2)(A) be carried out in cooperation with a public or private nonprofit secondary school system, or with a combination of such systems, which is located in the area in which the applicant is

located and which has a relatively high proportion, as determined by the Commissioner, of students from an economically disadvantaged background enrolled in the secondary schools in such system, and (B) involve in a formal role in policymaking decisions in the project an individual who is employed at an administrative level, no lower than principal or dean, in a secondary school with target students who are participating in the project;

"(3) be conducted, to the extent feasible, in a manner which does not conflict with a student's participation in extracurricular activities of the school in which he is enrolled;

"(4) provide that not less than one hundred talented students from an economically disadvantaged background, who are enrolled in the ninth grade in such public or private nonprofit school system or systems in each academic year in which the project is offered, are full participants in the project in such academic year;

"(5) provide for validation of the participation of a target student in such project by a science teacher or the parent or guardian of such student;

"(6) make arrangements to use in such project—

"(A) the research and other facilities and personnel of schools of biomedical science located in the area in which such project is offered;

"(B) the special knowledge of individuals from economically disadvantaged backgrounds who live in the area in which such project is offered and who are employed in the biomedical sciences;

"(C) the expertise of teachers in secondary schools and institutions of higher education located in the area in which such project is offered; and

"(D) the talents and experience of other groups located in the area in which such project is offered, such as parent-teacher associations, foundations, civic groups, and professional organizations, which would further the goals of such project;

"(7) expose target students to professionals trained in the biomedical sciences and to the resources of the biomedical sciences, including those described in paragraph (6), and such other academic and health-related experiences as are designed to—

"(A) inform and educate such students to the challenges, opportunities, and needs of serving in the biomedical science professions;

"(B) educate and motivate such students to pursue successful careers in the biomedical sciences;

"(C) cultivate the development of academic, cognitive, and communication skills in such students; and

"(D) instill awareness, concern, and information in such students for the health of their families and communities;

"(8)(A) provide counseling to target students who are participating, and to individuals who were such students and who were full participants in an academic year, in the project on the range of opportunities available in the biomedical sciences upon completion of high school, college, and professional training, and on the financial and other prerequisites to pursue such opportunities, and (B) inform parents of participating students of the goals and

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structure of the project and provide opportunities for the involvement of these parents in the project;

"(9) provide for the offering for target students, by a school of biomedical science during each academic year of such project, of a course or courses which—

"(A) are in one or more of the biomedical sciences,

"(B) encompass at least one hundred hours of classroom, laboratory, and fieldwork experience, and

"(C) use the facilities of such school, including laboratories, libraries, classrooms, audiovisual equipment, conference and meeting rooms, and other necessary facilities;

"(10) provide for the offering—

"(A) in the summer following each academic year of the project, and

"(B) for each individual who was a target student and a full participant in the project in the previous academic year, of a summer program of at least six weeks' duration and involving such academic study and other activities as promote the purposes of this part; and

"(11) provide for the following (through qualitative assessments by a student's teachers and professors and through documentation of a student's cumulative grade point average in high school, scholastic aptitude test scores, acceptances to colleges and universities, and grade point average and major pursued during attendance at a college or university) of each individual who was a target student and a full participant in the project in an academic year in which the project is offered, to evaluate the impact of the project on the careers pursued by former participants in the project.

"(b) The Commissioner may not provide funds under this part to an institution for a project (other than for the part of the project described in subsection (a)(11)) during an academic year (hereinafter in this subsection referred to as the 'project year') occurring after the second academic year of the project unless—

"(1) the number of target students who were enrolled in the tenth grade and were full participants in the project in the academic year preceding the project year is not less than 50 per centum of the number of target students who were enrolled in the ninth grade and were full participants in the project in the second academic year preceding the project year; and

"(2) not less than 50 per centum of the particular target students who were enrolled in the tenth or eleventh grade and were full participants in the project in the second academic year preceding the project year also were full participants in the project during the academic year preceding the project year.

"APPLICATIONS

20 USC 3055.

"SEC. 385. (a) Any institution desiring assistance under this part shall make application therefor in accordance with the provisions of this part and other applicable law and with regulations of the Commissioner promulgated for the purposes of this part. The Commissioner shall approve an application under this part only if he determines that the project for which the application seeks assistance—

"(1) will be operated by the applicant and that the applicant will carry out such project in accordance with this part; and

"(2) will provide for the activities described in section 384(a).

"(b) In approving an application for assistance under this title, the Commissioner shall insure that there is cooperation and coordination of efforts among the projects, including the exchange of materials and information among such projects.

"USE OF FUNDS

"SEC. 386. (a) Funds appropriated to carry out projects under this part may be used to cover all or part of the cost of establishing and carrying out projects, including the cost of stipends, allowances, travel, and subsistence expenses (in such amounts as may be determined in accordance with regulations of the Commissioner) to target students during their participation in a summer program offered pursuant to section 384(a)(10). 20 USC 3056.

"(b) Each target student who is participating on an essentially full-time basis in a project during the academic year may be paid a stipend in an amount not in excess of $30 per month, except in exceptional cases as determined by the Commissioner.

"APPROPRIATIONS AUTHORIZED

"SEC. 387. (a) For the purpose of carrying out projects under this part, there are authorized to be appropriated $40,000,000 for the fiscal year 1979 and each of the four succeeding fiscal years. 20 USC 3057.

"(b) From the funds appropriated pursuant to subsection (a), an amount not to exceed 5 per centum thereof shall be used for the purpose of conducting evaluations of the projects authorized under this part.

"(c) Sums appropriated pursuant to this section shall remain available for expenditure and obligation on or before September 30, 1983.

"PART M—POPULATION EDUCATION

Population Education Act.

"SHORT TITLE

"SEC. 391. This part may be cited as the 'Population Education Act'. 20 USC 3061.

"PROGRAM AUTHORIZED

"SEC. 392. (a) The Commissioner, in consultation with the Deputy Assistant Secretary for Population Affairs, established by section 3 of the Family Planning Services and Population Research Act of 1970, is authorized, from the sums available for purposes of this part, to carry out a program of making grants to, and contracts with, institutions of higher education, State and local educational agencies, research organizations, and other public and private agencies, organizations, and institutions to implement a program of population education in elementary and secondary schools. 20 USC 3062. 42 USC 3505a.

"(b) Funds available for grants and contracts under subsection (a) shall be available for such activities as—

"(1) preservice and inservice training programs and projects (including fellowship programs, institutes, workshops, symposiums, and seminars) for educational personnel to prepare them

to incorporate population concepts into a broad array of subject fields such as geography, history, science, biology, social studies, and home economics;

"(2) development and dissemination of teacher and student educational, training, and instructional materials, including the identification, evaluation, improvement, and adaptation of existing curricula and educational materials;

"(3) research support to develop curriculum content and to evaluate programs and materials for the purpose of widespread dissemination;

"(4) in the case of grants to State and local educational agencies, the support of population education programs at the elementary and secondary educational levels; and

"(5) projects which demonstrate, test, and evaluate the effectiveness of the activities (described in clauses (1) through (4) of this subsection) whether or not assisted under this section.

Programs assisted under clauses (2) and (3) shall be carried out in cooperation with State and local educational agencies.

"(c) Applications for grants and contracts under this section shall be submitted at such time, in such form, and contain such information as the Commissioner shall prescribe.

Clearinghouse on population education, establishment.

"(d) The National Institute of Education shall establish or designate, with funds available under this part, a clearinghouse on population education for the purpose of evaluating, cataloging, and disseminating teacher and student materials on population. Such activities shall be carried out in coordination with related activities carried out under title X of the Public Health Service Act. For the purposes of carrying out this subsection, the Commissioner is authorized to transfer from sums available for this part to the National Institute of Education sums not to exceed $500,000.

42 USC 300.

"(e) Not less than 10 percent of the funds available for purposes of section 303 shall be made available in each fiscal year for activities under subsection (b) of this section.".

Ante, p. 2210.

20 USC 1865 note.

(b) (1) Effective September 30, 1979—

20 USC 1861.

(A) section 402(b) of the Education Amendments of 1974,

20 USC 1862.

(B) section 403 of the Education Amendments of 1974,

20 USC 1863.

(C) section 404 of the Education Amendments of 1974,

20 USC 1864.

(D) section 405 of the Education Amendments of 1974,

20 USC 1865.

(E) sections 406 (a), (b), (d), (e), (f), and (h) of the Education Amendments of 1974,

20 USC 887d.

(F) section 811 of the Elementary and Secondary Education Act of 1965,

20 USC 1866.

(G) section 408 of the Education Amendments of 1974, and

20 USC 1867.

(H) section 409 of the Education Amendments of 1974

are repealed.

Repeal.

20 USC 1851–1853.

(2) Effective September 30, 1979, the Special Projects Act is repealed.

20 USC 1865.

(3) Effective September 30, 1978, section 406(c)(1) is amended by striking out "this section" the first time it appears and inserting in lieu thereof "the Career Education Incentive Act".

TITLE IV—AMENDMENT TO TITLE IV OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

LIBRARIES, LEARNING RESOURCES, EDUCATIONAL INNOVATION AND SUPPORT

SEC. 401. Title IV of the Act is amended to read as follows:

"TITLE IV—EDUCATIONAL IMPROVEMENT, RESOURCES, AND SUPPORT

"PART A—GENERAL PROVISIONS

"PURPOSE

"SEC. 401. It is the purpose of this title to provide financial assistance to State and local educational agencies— 20 USC 3081.

"(1) to strengthen the quality of elementary and secondary education through support of locally initiated projects and activities designed to improve educational practices;

"(2) to assist local educational agencies in the acquisition of necessary books, materials, library resources, and instructional equipment; and

"(3) to strengthen and expand programs of counseling and guidance services and testing of students in elementary and secondary schools.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 402. (a)(1) Subject to the provisions of paragraph (2), there is authorized to be appropriated such sums as may be necessary for obligation by the Commissioner during fiscal year 1980 and for each succeeding fiscal year ending prior to October 1, 1983, for the purpose of making grants under part B, relating to instructional materials and school library resources. Grants. 20 USC 3082.

"(2) No funds are authorized to be appropriated under this subsection for obligation by the Commissioner during any fiscal year unless—

"(A)(i) the aggregate amount which would be appropriated under this subsection is at least equal to the aggregate amount appropriated for obligation by the Commissioner during the preceding fiscal year in which part B was in effect, or

"(ii) in the case of appropriations under this subsection for the first fiscal year in which part B is effective, such amount is at least equal to the aggregate amount appropriated for obligation by the Commissioner for the fiscal year 1974, or for the preceding fiscal year, whichever is higher, under title II of this Act, and under title III (except for section 305) of the National Defense Education Act of 1958, and *Ante*, p. 2201. 20 USC 441.

"(B) the sums appropriated pursuant to this subsection are included in an Act making appropriations for the fiscal year prior to the fiscal year in which such sums will be obligated, and are made available for expenditure prior to the beginning of such fiscal year.

"(3) Whenever the requirements of paragraph (2) are not met, the Commissioner shall carry out programs under title II of this Act and under title III (except for section 305) of the National Defense Edu-

cation Act of 1958 as in effect for the fiscal year 1978 (prior to the repeal or expiration thereof). In any fiscal year in which the provisions of the preceding sentence are in effect, sums equal to the sums authorized to be appropriated for such programs for fiscal year 1978 are authorized to be appropriated for such fiscal year.

"(b)(1) Subject to the provisions of paragraph (2) there is authorized to be appropriated such sums as may be necessary for obligation by the Commissioner during the fiscal year 1980 and for each succeeding fiscal year ending prior to October 1, 1983, for the purpose of making grants under part C, relating to improvements in local educational practices.

"(2) No funds are authorized to be appropriated under this subsection for obligation by the Commissioner during any fiscal year unless—

"(A)(i) the aggregate amount which would be appropriated under this subsection is at least equal to the aggregate amount appropriated for obligation by the Commissioner during the preceding fiscal year in which part C was in effect, or

"(ii) in the case of appropriations under this subsection for the first fiscal year in which part C is effective, such amount is at least equal to the aggregate amount appropriated for obligation by the Commissioner for fiscal year ending June 30, 1974, or for the preceding fiscal year, whichever is higher, under title III (except for programs of testing, guidance, and counseling), title V, and sections 807 and 808 of this Act, and

Ante, p. 2210.
Post, p. 2240.
Post, pp. 2286, 2287.

"(B) the sums appropriated pursuant to this subsection are included in an Act making appropriations for the fiscal year prior to the fiscal year in which such sums will be obligated, and are made available for expenditure prior to the beginning of such fiscal year.

"(3) Whenever the requirements of paragraph (2) are no met, the Commissioner shall carry out programs under title III (except for programs of testing, guidance, and counseling), title V and sections 807 and 808 of this Act in effect for fiscal year 1978 (prior to the repeal thereof). In any fiscal year in which the provisions of the preceding sentence are in effect, sums equal to the sums authorized to be appropriated for such programs for fiscal year 1978 are authorized to be appropriated for such fiscal year.

"(c)(1) Subject to the provisions of paragraph (2) there is authorized to be appropriated the sum of $50,000,000 for obligation by the Commissioner during the fiscal year 1980, and for each succeeding fiscal year ending prior to October 1, 1983, for the purpose of making grants under part D, relating to formula grants for guidance, counseling, and testing.

"(2) No funds are authorized to be appropriated for obligation by the Commissioner for any fiscal year unless—

"(A)(i) the aggregate amount which would be appropriated under this subsection for part D is at least equal to the aggregate amount appropriated for obligation by the Commissioner during the preceding fiscal year in which part D is in effect; or

"(ii) in the case of appropriations under this subsection for the first fiscal year in which part D is in effect, the amount is at least equal to $18,000,000, and

"(B) the sums appropriated pursuant to this subsection are included in an Act making appropriations for the fiscal year prior to the fiscal year in which such sums will be obligated, and are

made available for expenditure prior to the beginning of such fiscal year.

"(3) Whenever the requirements of paragraph (2) are not met, the Commissioner shall carry out programs under part A of title V of the National Defense Education Act of 1958 as in effect for fiscal year 1971 (prior to the expiration thereof). In any fiscal year in which the provisions of the preceding sentence are in effect, sums equal to the sums authorized to be appropriated for such programs for fiscal year 1978 are authorized to be appropriated for such fiscal year. 20 USC 481.

"(d) There are authorized to be appropriated for obligation by the Commissioner during each fiscal year ending prior to October 1, 1983, such sums as may be necessary for the purpose of increasing the allotment under section 403(a)(1) for that year to any State to a level of funding which equals the amounts of funds received by that State for the fiscal year ending June 30, 1974, for programs under title II, title III, title V, and sections 807 and 808 of this Act, and title III (except for section 305) of the National Defense Education Act of 1958. *Ante*, pp. 2201, 2210; *Post*, pp. 2240, 2286, 2287.

"ALLOTMENTS TO STATES 20 USC 441.

"SEC. 403. (a)(1) From the amounts appropriated to carry out part B, part C, and part D of this title for any fiscal year, the Commissioner shall allot to each State from each such amount an amount which bears the same ratio to that amount as the number of children aged five to seventeen, inclusive, in the State bears to the number of those children in all the States. 20 USC 3083.

"(2) For the purpose of this subsection, the term 'State' shall not include Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands. The number of children aged five to seventeen, inclusive, in a State and in all States shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him. "State."

"(b) The amount of any State's allotment under subsection (a) for any fiscal year to carry out part B, part C, or part D, which the Commissioner determines will not be required for that fiscal year to carry out any of those parts shall be available for reallotment from time to time, on such dates during that year as the Commissioner may fix, to other States in proportion to the original allotments to those States under subsection (a) for that year but with such proportionate amount for any of those other States being reduced to the extent it exceeds the sum the Commissioner estimates that State needs and will be able to use for that year; and the total of those reductions shall be similarly realloted among the States whose proportionate amounts were not so reduced. Any amounts reallotted to a State under this subsection during a year shall be deemed a part of its allotment under subsection (a) for that year. Reallotment.

"(c) There are authorized to be appropriated for each fiscal year for the purpose of this subsection amounts equal to not more than 1 per centum of each of the amounts appropriated for such year under part B, part C, and part D of this title. The Commissioner shall allot each of the amounts appropriated pursuant to this subsection among Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands according to their respective needs for assistance under part B, part C, and part D of this title. In addition, for each fiscal year he shall allot from

each of such amounts to (A) the Secretary of the Interior the amounts necessary (including not more than $75,000 for administration) for the programs authorized by each such part for children and teachers in elementary and secondary schools operated for Indian children by the Department of the Interior, and (B) the Secretary of Defense the amounts necessary for the programs authorized by each such part for children and teachers in the overseas dependents schools of the Department of Defense. The terms upon which payment for such purposes shall be made to the Secretary of the Interior and the Secretary of Defense shall be determined pursuant to such criteria as the Commissioner determines will best carry out the purposes of this title.

Payment terms.

"STATE PLANS

"SEC. 404. (a) A State shall be eligible to receive grants under this part if it has on file with the Commissioner a general State application under section 501 or section 435 of the General Education Provisions Act, whichever is applicable, and if it submits to the Commissioner a State plan at such times (not more often than once every three years) and in such detail as the Commissioner deems necessary, which—

Grants.
20 USC 3084.

"(1) designates the State educational agency as the State agency which shall, either directly or through arrangements with other State or local public agencies, act as the sole agency for the administration of the State plan;

"(2) sets forth a program under which funds paid to the State from its allotments under section 403 will be expended solely for the programs and purposes that meet the requirements set forth in part B, part C, and part D of this title;

"(3) provides assurances that the requirements of section 406 (relating to the participation of pupils and teachers in private elementary and secondary schools) will be met, or certifies that such requirements cannot legally be met in such State;

"(4) describes the means by which the State educational agency will provide technical assistance to local educational agencies to enable them fully to participate in programs assisted under this title;

"(5) provides assurances that funds such agency receives from appropriations made under section 402(b) will be distributed among local educational agencies on an equitable basis, recognizing the competitive nature of the grantmaking except that the State educational agency shall provide assistance in formulating proposals and in operating programs to local educational agencies which are less able to compete due to small size or lack of local financial resources to distribute funds made available under this title to local educational agencies; and describes the procedures the State will use;

"(6) provides that local educational agencies applying for funds under part B and part D shall be required to submit applications for that program not more than than once every three years;

"(7) provides assurances that the aggregate amount to be expended per student or the aggregate expenditure by the State, its local educational agencies, and private schools in such State from funds derived from non-Federal sources for programs described in part B and part D, respectively, for the preceding fiscal year

are not less than the amount per student expended or the aggregate expenditure for the second preceding fiscal year for each such part;

"(8) provides that, for any fiscal year in which the provisions of section 510(b)(2) are not met, of the funds the State receives under section 402 for each fiscal year, the State will use for administration of the State plan not to exceed whichever of the following is greater: (A) 5 per centum of the amount so received ($75,000 in the case of Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands and the Trust Territory of the Pacific Islands), excluding any part of such amount used for purposes of section 431(a), or (B) $225,000; and provides that the remainder of such funds shall be made available to local educational agencies to be used for the purposes of parts B, C, and D, respectively;

"(9) provides that, for any fiscal year in which the provisions of section 523(b) are not met, not more than the greater of (A) 15 per centum of the amount which such State receives pursuant to section 402(b) for any fiscal year, or (B) the amount available by appropriation to such State in the fiscal year ending June 30, 1973 and periods covered by section 431(a)(3) as in effect in such year, shall be used for activities described in section 421;

"(10) sets forth policies and procedures which give satisfactory assurance that Federal funds made available under this title for any fiscal year will not be commingled with State funds;

"(11) sets forth the means by which the State will make information and technical assistance available to private nonprofit school officials who desire to arrange for children in those schools to participate in Federal elementary and secondary education programs;

"(12) sets forth a comprehensive plan for the coordination of Federal and State funds for training activities for educational personnel in the State including preservice and inservice training, which plan shall be developed with the involvement of teachers, professional associations, institutions of higher education, and other interested individuals; and

"(13) provides that the State has established a State advisory council in accordance with subsection (b).

"(b)(1) The State advisory council shall— State advisory council.

"(A) be appointed by the State educational agency or as otherwise provided by State law and be broadly representative of the cultural and educational resources of the State and of the public, including—

"(i) teachers, principals, superintendents, and other professional employees of local educational agencies and private schools,

"(ii) teachers from institutions of higher education,

"(iii) school librarians, personnel involved in operating media programs in local schools, and guidance counselors,

"(iv) individuals from fields of professional competence in dealing with children needing special education because of physical or mental handicaps, specific learning disabilities, severe educational disadvantages, and limited English proficiency or because they are gifted or talented, and of profes-

sional competence in guidance and counseling, and

"(v) parents, students, and other interested members of the public;

"(B) advise the State educational agency on the preparation of, and policy matters arising in the administration of, the State plan, including the development of criteria for the distribution of funds and the approval of applications for assistance under this title;

"(C) evaluate all programs and projects assisted under this title; and

"(D) prepare at least every three years and submit through the State educational agency a report of its activities, recommendations, and evaluations, together with such additional comments as the State educational agency deems appropriate, to the Commissioner.

"(2) Not less than ninety days before the beginning of any fiscal year for which funds will be available for carrying out this title, each State shall certify the establishment of, and membership of (including the name of the person designated as Chairman), its State advisory council to the Commissioner.

"(3) Each State advisory council shall meet within thirty days after certification has been accepted by the Commissioner and establish the time, place, and manner, of its future meetings, except that such council shall have not less than one public meeting each year at which the public is given an opportunity to express views concerning the administration and operation of this title.

"(4) Each State advisory council shall be authorized to obtain the services of such professional, technical, and clerical personnel, and to contract for such other services as may be necessary to enable them to carry out their functions under this title, and the Commissioner shall assure that funds sufficient for these purposes are made available to each council from funds available for administration of the State plan.

"(c) The Commissioner shall approve any State plan and any modification thereof which complies with the provisions of subsections (a) and (b) of this section.

"PAYMENTS TO STATES

20 USC 3085.

"SEC. 405. From the amounts allotted to each State under section 403 for carrying out the programs authorized by part B, part C, and part D, respectively, the Commissioner shall pay to that State an amount equal to the amount expended by the State in carrying out its State plan (after withholding any amount necessary pursuant to section 406(g)).

"PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS

20 USC 3086.

"SEC. 406. (a)(1) To the extent consistent with the number of children in the school district of a local educational agency which is eligible to receive funds under this title or which serves the area in which a program or project assisted under this title is located who are enrolled in private nonprofit elementary and secondary schools, such agency, after consultation with the appropriate private school officials, shall

provide for the benefit of such children in such schools secular, neutral, and nonideological services, materials, and equipment including the repair, minor remodeling, or construction of public facilities as may be necessary for their provision (consistent with subsection (c) of this section), or, if such service, materials, and equipment are not feasible or necessary in one or more such private schools as determined by the local educational agency after consultation with the appropriate private school officials, shall provide such other arrangements as will assure equitable participation of such children in the purposes and benefits of this title.

"(2) If no program or project is carried out under part B in the school district of a local educational agency, the State educational agency shall make arrangements, such as through contracts with nonprofit private agencies or organizations, under which children in private schools in that district are provided with services and materials under that part to the extent that would have occurred if the local educational agency had received funds under this title.

"(b) Expenditures for programs pursuant to subsection (a) shall be equal (consistent with the number of children to be served) to expenditures for programs under this title for children enrolled in the public schools of the local educational agency, taking into account the needs of the individual children and other factors which relate to such expenditures, and when funds available to a local educational agency under this title are used to concentrate programs or projects on a particular group, attendance area, or grade or age level, children enrolled in private schools who are included within the group, attendance area, or grade or age level selected for such concentration shall, after consultation with the appropriate private school officials, be assured equitable participation in the purposes and benefits of such programs or projects.

"(c)(1) The control of funds provided under this title and title to materials, equipment, and property repaired, remodeled, or constructed therewith shall be in a public agency for the uses and purposes provided in this title, and a public agency shall administer such funds and property.

"(2) The provision of services pursuant to this section shall be provided by employees of a public agency or through contract by such public agency with a person, an association, agency, or corporation who or which in the provision of such services is independent of such private school and of any religious organizations, and such employment or contract shall be under the control and supervision of such public agency, and the funds provided under this title shall not be commingled with State or local funds.

"(d) If a State is prohibited by law from providing for the participation in programs of children enrolled in private elementary and secondary schools, as required by this section, the Commissioner shall waive such requirements and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of this section.

"(e)(1) If the Commissioner determines that a State or a local educational agency has substantially failed or is unwilling to provide for the participation on an equitable basis of children enrolled in private elementary and secondary schools as required by this section, he may waive such requirements and shall arrange for the provision of

services to such children through arrangements which shall be subject to the requirements of this section.

"(2) Pending final resolution of any investigation or complaint that could result in a determination under this subsection or subsection (d), the Commissioner may withhold from the allocation of the affected State or local educational agency the amount he estimates would be necessary to pay the cost of those services.

"(f) Any determination by the Commissioner under this section shall continue in effect until the Commissioner determines that there will no longer be any failure or inability on the part of the State or local educational agency to meet the requirements of subsections (a) and (b).

"(g) When the Commissioner arranges for services pursuant to this section, he shall, after consultation with the appropriate public and private school officials, pay the cost of such services, including the administrative costs of arranging for those services, from the appropriate allotment of the State under this title.

"(h)(1) The Commissioner shall not take any final action under this section until the State educational agency and local educational agency affected by such action have had an opportunity, for at least forty-five days after receiving written notice thereof, to submit written objections and to appear before the Commissioner or his designee to show cause why that action should not be taken.

Petition for review.

"(2) If a State or local educational agency is dissatisfied with the Commissioner's final action after a proceeding under paragraph (1) of this subsection, it may within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based this action, as provided in section 2112 of title 28, United States Code.

"(3) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(4) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

Review.

"PART B—INSTRUCTIONAL MATERIALS AND SCHOOL LIBRARY RESOURCES

"ACTIVITIES AUTHORIZED

20 USC 3101.

"SEC. 421. The amounts allotted to each State under section 403 for the purposes of this part shall be used to provide assistance to local educational agencies within that State—

"(1) for the acquisition of school library resources, textbooks, and other printed and published instructional materials for the use of children and teachers in public and private elementary and

secondary schools which shall be used for instructional purposes only; and

"(2) for the acquisition of instructional equipment and materials suitable for use in providing education in academic subjects for use by children and teachers in elementary and secondary schools which shall be used for instructional purposes only.

"PROGRAM REQUIREMENTS

"SEC. 422. (a) Funds available to a State under this part shall be distributed among local educational agencies in that State according to the enrollments in public and nonpublic schools within the school districts of those agencies, adjusted, in accordance with criteria prescribed by the Commissioner, to provide higher per pupil allocations to (1) local educational agencies whose tax effort for education is substantially greater than the State average tax effort for education, but whose per pupil expenditure (excluding payments made under title I of this Act) is no greater than the average per pupil expenditure in the State, and (2) local educational agencies which have the greatest numbers or percentages of children whose education imposes a higher than average cost per child, such as children from low-income families, children living in sparsely populated areas, and children from families in which English is not the dominant language.

Distribution of funds.
20 USC 3102.

Ante, p. 2152.

"(b) Local educational agencies shall be given complete discretion (subject to the provisions of section 406) in determining how funds they receive under this part will be divided among the purposes described in section 421, except that the State educational agency shall insure that each local educational agency, in making that determination, has adopted appropriate procedures, including periodic consultation with teachers, librarians, media specialists and other professional staff in the schools, and private school officials, to coordinate the selection of equipment and materials under this part with curricula being carried out in the schools within that agency.

"PART C—IMPROVEMENT IN LOCAL EDUCATIONAL PRACTICE

"ACTIVITIES AUTHORIZED

"SEC. 431. (a) The amounts allotted to each State under section 403 for the purpose of this part shall be used to provide assistance to local educational agencies within the State for activities that will improve the educational practices of those agencies, including—

Allotments to local educational agencies.
20 USC 3111.

"(1) the development and demonstration of activities designed to address serious educational problems in elementary and secondary schools, including—

"(A) the need for effective programs for children with special needs, such as educationally deprived children, gifted and talented children, and handicapped children,

"(B) high rates of children who do not complete secondary school, and

"(C) the need of children in private schools for improved educational services;

"(2) encouraging the development and demonstration of improved means of carrying out programs for educationally deprived children in school attendance areas having high concentrations of children from low-income families;

"(3) activities designed to improve the achievement of children in basic skills;

"(4) activities to encourage the participation of parents in the education of their children;

"(5) the development of programs to diagnose learning problems and assess the educational achievement of children, including children in nonprofit private schools;

"(6) developing and implementing model plans to demonstrate effective means of improving school management and fully coordinating all the Federal, State, and local resources available in a school in a fashion designed to meet the individual needs of every child in that school;

"(7) professional development programs for teachers, administrators, and other instructional personnel in the schools of such agencies;

"(8) early childhood and family education programs for children not yet enrolled in kindergarten programs and below age six for activities related to the identification of potential barriers to learning, the education of parents in child development, home-based programs, and referral services; and

"(9) programs to extent the educational process beyond the school building through the use of other resources in the community, such as museums, businesses, cultural organizations, labor unions, and governmental agencies.

"(b)(1) Funds available to the States under this part shall also be used (pursuant to State plans approved under section 404) for the purpose of encouraging innovation and improvement in compensatory educational efforts. Such efforts may include—

"(A) programs of grants to local educational agencies for summer bridge programs which provide students with continued academic improvement and stimulation during the summer months in order to preserve and increase the academic progress of such students in regular school year programs;

"(B) programs of parent education which enable parents to better contribute to their children's academic progress by such means as the conducting of parent education or parenting programs which promote partnership between parents and teachers and help parents develop the skills necessary to motivate and assist such children;

"(C) programs that provide retraining to improve the skills of teachers and other educational personnel to enable such personnel to meet better the specific educational needs of the children served by such personnel; and

"(D) programs to develop educational materials for use by children in the home to improve student achievement in the basic skills.

"(2) Each State shall ensure that not less than 50 per centum of those funds appropriated for any fiscal year which exceed the amount appropriated for this part for the fiscal year ending September 30, 1979, will be used for the purposes of programs described in paragraph (1).

"PROGRAM REQUIREMENTS

20 USC 3112.

"SEC. 432. (a) Funds may be provided to a local educational agency under this part for a particular activity for a period of not to exceed

five fiscal years (excluding any period for which such agency received a planning grant for such activity), subject to the availability of appropriations for this part of each fiscal year. The amount provided to a local educational agency for any activity under this part shall decline after the third year, in accordance with criteria prescribed by the Commissioner, in order to ensure that successful practices developed with assistance under this part will be adopted and supported as part of the regular program of such agency.

Allocation of funds, percentage.

"(b)(1) From sums made available to each State under this part, the following sums shall be allocated for activities under section 431 (a)(6), relating to plans for improved school management and the coordinated use in schools of all available resources:

"(A) In fiscal year 1980, not less than 5 percent of any amount by which the amount available for this part in fiscal year 1980 exceeds the amount so available in fiscal year 1979.

"(B) In fiscal year 1981 and in each succeeding fiscal year, not less than 10 percent of any amount by which the amount available for this part in such year exceeds the amount so available in fiscal year 1979.

Activity approval.

"(2) No activity under section 431(a)(6) shall be approved by the State educational agency unless the proposal therefor has been developed in consultation with, and has been approved by, a committee composed of administrators, teachers, other staff at the school, and parents whose children attend the school.

"(c) Not less than 15 per centum of the amount received by a State under this part in any fiscal year shall be used for special programs or projects meeting the purposes of this part for the education of handicapped children. For the purpose of this part, the term 'handicapped children' has the meaning set forth in section 602(1) of the Education of the Handicapped Act.

"Handicapped children."
20 USC 872.

Local educational assistance, determination.

"(d) Subject to section 406 (d) and (e), a State educational agency shall not approve the application of a local educational agency for assistance under this part unless the State educational agency determines that in designing the proposal to which that application relates, the needs of children in nonprofit private schools have been taken into account through consultation with private school officials and other means.

"PART D—GUIDANCE, COUNSELING, AND TESTING

"PROGRAM AUTHORIZED

Grants.
20 USC 3121.

"SEC. 441. (a) The Commissioner shall carry out a program for making grants to States (pursuant to State plans approved under section 404) for—

"(1) State leadership and supervisory services in the fields of guidance, counseling, and testing; and

"(2) comprehensive guidance, counseling, and testing programs in elementary and secondary schools throughout the State, including such services as—

"(A) elementary and secondary school counseling,

"(B) in-service training for guidance and counseling personnel,

"(C) supervision and leadership services at the local level,

"(D) program planning and development,

"(E) special guidance and counseling programs suited to

meet the special needs for such programs by persons who are disadvantaged,

"(F) a program of testing students in elementary and secondary schools, and

"(G) evaluation of such programs.

"(b) Of the sums allotted to any State for any fiscal year for the purposes of this part, not to exceed 7½ per centum shall be available for the purpose described in clause (1) of subsection (a).

"PROGRAM REQUIREMENTS

20 USC 3122.

"SEC. 442. Each local educational agency shall be given complete discretion (subject to the provisions of section 406) in determining how funds it receives from appropriations made under section 401(c)(1)(A) will be divided among various programs described in this part.

"ADMINISTRATION

Administrative unit, establishment.
20 USC 3123.

"SEC. 443. (a) The Commissioner shall establish or designate an administrative unit within the Office of Education for purposes of—

"(1) carrying out provisions of this section;

"(2) providing information regarding guidance and counseling as a profession, guidance and counseling activities of the Federal Government, and, to the extent practicable, activities of State and local programs of guidance and counseling; and

"(3) advising the Commissioner on coordinating guidance and counseling activities included in all programs which he is authorized to carry out, and, to the extent he deems practicable, how such activities may be coordinated with other programs of the Federal Government and State and local guidance and counseling programs.

Funds, reservation.

"(b) The Commissioner may reserve an amount not to exceed 5 per centum of the sums appropriated for this part to carry out the provisions of this section.".

EFFECTIVE DATE

20 USC 3081 note.

SEC. 402. The amendments and repeals made by this title shall take effect October 1, 1979.

TITLE V—ESTABLISHMENT OF NEW TITLE V OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

STATE LEADERSHIP

SEC. 501. Title V of the Act is amended to read as follows:

"TITLE V—STATE LEADERSHIP

"PART A—ADMINISTRATION OF EDUCATION PROGRAMS AND DUTIES OF THE STATE EDUCATIONAL AGENCY

"SINGLE STATE APPLICATION

20 USC 3141.
Ante, pp. 2210, 2229.

"SEC. 501. (a) Each State which desires to participate in programs authorized under title I and title IV of this Act shall submit to the Commissioner a general application containing the assurances set forth

in subsection (b). That application may be submitted jointly for all programs covered by the application, or it may be submitted separately for each such program or for groups of programs. Each application submitted under this section must be approved by each official, agency, board, or other entity within the State which, under State law, is primarily responsible for supervision of the activities conducted under each program covered by the application.

"(b) An application submitted under subsection (a) shall set forth assurances, satisfactory to the Commissioner—

"(1) that each program will be administered in accordance with all applicable statutes, regulations, program plans, and applications;

"(2) that the control of funds provided under each program and title to property acquired with program funds will be in a public agency, or in a nonprofit private agency, institution, or organization if the statute authorizing the program provides for grants to those entities, and that the public agency or nonprofit private agency, institution, or organization will administer those funds and property;

"(3) that the State will adopt and use proper methods of administering each program to which this part applies including—

"(A) monitoring of agencies, institutions, and organizations responsible for carrying out each program, and the enforcement of any obligations imposed on those agencies, institutions, and organizations under law,

"(B) providing technical assistance, where necessary, to those agencies, institutions, and organizations,

"(C) encouraging the adoption by those agencies, institutions, and organizations for promising or innovative educational techniques,

"(D) the dissemination throughout the State of information on the program requirements and successful practices, and

"(E) the correction of deficiencies in program operations that are identified through monitoring or evaluation;

"(4) that the State will evaluate the effectiveness of covered programs in meeting their statutory objectives, at such intervals (not less often than once every three years) and in accordance with such procedures as the Commissioner may prescribe by regulation, and that the State will cooperate in carrying out any evaluation of each program conducted by or for the Secretary or other Federal official;

"(5) that the State will use such fiscal control and fund accounting procedures as will insure proper disbursement of and acounting for Federal funds paid to the State under each program;

"(6) that the State will make reports to the Commissioner (including reports on the results of evaluations required under paragraph (4)) as may reasonably be necessary to enable the Commissioner to perform his duties under each program, and that the State will maintain such records, in accordance with the requirements of section 437 of the General Education Provisions Act, and afford access to the records as the Commissioner may find necessary to carry out his duties; Reports. *Post*, p. 2346.

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"(7) that the State will provide reasonable opportunities for the participation by local agencies, representatives of the class of individuals affected by each program, and other interested institutions, organizations, and individuals in the planning for and operation of each program, including the following:

"(A) the State will consult with relevant advisory committees, local agencies, interested groups, and experienced professionals in the development of program plans required by statute;

"(B) the State will publish each proposed plan, in a manner that will ensure circulation throughout the State, at least sixty days prior to the date on which the plan is submitted to the Commissioner or on which the plan becomes effective, whichever occurs earlier, with an opportunity for public comments on such plan to be accepted for at least thirty days;

"(C) the State will hold public hearings on the proposed plans if required by the Commissioner by regulation; and

"(D) the State will provide an opportunity for interested agencies, organizations, and individuals to suggest improvements in the administration of the program and to allege that there has been a failure by any entity to comply with applicable statutes and regulations.

"(c) Each general application submitted under this section shall remain in effect for the duration of any program subject to the application. The Commissioner shall not require the resubmission or amendment of that application unless required by changes in Federal or State law or by other significant change in the circumstances affecting an assurance in that application.

"SINGLE LOCAL EDUCATIONAL AGENCY APPLICATION

20 USC 3142.

"SEC. 502. (a) Each local educational agency which participates in a program subject to this Act under which Federal funds are made available to that agency through a State agency or board shall submit to that agency or board a general application containing the assurances set forth in subsection (b). That application shall cover the participation by the local educational agency in all such programs.

"(b) The general application submitted by a local educational agency under subsection (a) shall set forth assurances—

"(1) that the local educational agency will administer each program covered by the application in accordance with all applicable statutes, regulations, program plans, and applications;

"(2) that the control of funds provided to the local educational agency under each program and title to property acquired with those funds, will be in a public agency and that a public agency will administer those funds and property;

"(3) that the local educational agency will use fiscal control and fund accounting procedures that will insure proper disbursement of, and accounting for Federal funds paid to that agency under each program;

"(4) that the local educational agency will make reports to the State agency or board and to the Commissioner as may reasonably be necessary to enable the State agency or board and the Commissioner to perform their duties and that the local educational

agency will maintain such records, including the records required under section 437 of the General Education Provisions Act, and give access to those records, as the State agency or board or the Commissioner deem necessary to perform their duties; *Post*, p. 2346.

"(5) that the local educational agency will provide reasonable opportunities for the participation by teachers, parents, and other interested agencies, organizations, and individuals in the planning for and operation of each program;

"(6) that any application, evaluation, periodic program plan or report relating to each program will be made readily available to parents and other members of the general public;

"(7) that in the case of any project involving construction—

"(A) the project is not inconsistent with overall State plans for the construction of school facilities,

"(B) in developing plans for construction, due consideration will be given to excellence of architecture and design and to compliance with standards prescribed by the Secretary under section 504 of the Rehabilitation Act of 1973 in order to insure that facilities constructed with the use of Federal funds are accessible to and usable by handicapped individuals, 29 USC 794.

"(C) in developing plans for such facilities, due consideration has been given to excellence of architecture and design, and inclusion of works of art (not representing more than 1 per centum of the cost of the project); and

"(8) that the local educational agency has adopted effective procedures for acquiring and disseminating to teachers and administrators participating in each program significant information from educational research, demonstrations, and similar projects, and for adopting, where appropriate, promising educational practices developed through those projects.

"(c) A general application submitted under this section shall remain in effect for the duration of the programs it covers. The State agencies or boards administering the programs covered by the application shall not require the resubmission or amendment of that application unless required by changes in Federal or State law or by other significant change in the circumstances affecting an assurance in that application.

"APPLICATION APPROVAL

"SEC. 503. (a)(1) A State educational agency shall approve an application of a local educational agency or a State agency subject to this part if (A) such State educational agency is satisfied, after considering the factors specified in paragraph (2), that such applicant agency will use the funds received under the application in a manner which meets the requirements of this title, the General Education Provisions Act and other applicable requirements and (B) such applicant agency is not out of compliance with a determination of the State educational agency or the Commissioner that it repay funds paid it under this title which were misused, and is not out of compliance with a compliance agreement under section 508(c). 20 USC 3143. 20 USC 1221.

"(2) A State educational agency may approve an application under paragraph (1) of this subsection, only after it has considered, where pertinent, (A) the results of Federal and State audits, (B) the results of Federal and State monitoring reports, (C) administrative complaints made by parents or other individuals concerning the applicant

agency's compliance with this title, and (D) reports on evaluations conducted by the local educational agency of its programs.

"(b) A State educational agency may make payments from funds received under this part only for programs and projects which it has approved under subsection (a).

"(c) A State educational agency shall not finally disapprove in whole or in part any application for funds under this part without first affording the local educational agency or other applicant submitting the application reasonable notice and opportunity for a hearing in accordance with section 434 of the General Education Provisions Act.

Post, p. 2342.

"STATE RULEMAKING

20 USC 3144.

"SEC. 504. Nothing in this part shall be deemed to prohibit a State educational agency from adopting rules, regulations, procedures, guidelines, criteria, or other requirements applicable to programs and projects, assisted under this part if they do not conflict with the provisions of this part or with regulations promulgated by the Commissioner implementing this title or other applicable Federal law. The Commissioner shall encourage State educational agencies, in adopting such rules, regulations, procedures, guidelines, criteria, or other requirements to recognize the special and unique needs and circumstances of the State and of each local educational agency in the State.

"TECHNICAL ASSISTANCE AND DISSEMINATION OF INFORMATION

20 USC 3145.

"SEC. 505. Each State educational agency shall carry out a comprehensive program to provide technical assistance to local educational agencies and State agencies with respect to the use of funds received under this part. Such a program shall include technical assistance for management procedures, for planning, development, implementation, and evaluation of programs, and for preparation of applications, as well as other forms of technical assistance needed by local educational agencies and State agencies. Each State educational agency shall also adopt effective procedures for disseminating to local educational agencies and State agencies (1) significant and relevant information derived from education research, (2) information about successful compensatory education projects, (3) information about other Federal and State funded programs which may provide needed health, social, and nutrition services to eligible participating children under this title, and (4) such other information as will assist local educational agencies, and State agencies in planning, developing, implementing, and evaluating programs subject to this part.

"MONITORING

Standards.
20 USC 3146.

"SEC. 506. Each State educational agency shall adopt standards, consistent with minimum standards established by the Commissioner, for monitoring the effectiveness of programs and projects subject to this part. Such standards shall (1) describe the purpose and scope of monitoring; (2) specify the frequency of on-site visits; (3) describe the procedures for issuing and responding to monitoring reports, including but not limited to, the period of time in which the State educational agency must issue its report, the period of time in which the applicant agency must respond, and the appropriate followup by

the State educational agency, (4) specify the methods for making monitoring reports available to parents, State and local auditors, and other persons, and (5) specify the methods for insuring that noncompliant practices are corrected.

"COMPLAINT RESOLUTION

"SEC. 507. Each State educational agency shall adopt written procedures for receiving and resolving complaints, or reviewing appeals from decisions of local educational agencies with respect to complaints, concerning violations of this title, applicable provisions of the General Education Provisions Act or of programs subject to this part, and for conducting on-site investigations of complaints which the State educational agency deems necessary. Such procedure shall include— 20 USC 3147.

"(1) specific time limits for resolving the complaint or completing the review and, if necessary, the independent on-site investigation, which shall not exceed sixty days unless exceptional circumstances exist;

"(2) an opportunity for the complainant or the complainant's representative, or both, and the local educational agency involved to present evidence, including the opportunity to question parties to the dispute and any of their witnesses;

"(3) the right to appeal the final resolution of the State educational agency to the Commissioner within thirty days after receipt of the written decision; and

"(4) dissemination of information concerning the procedures to interested parties, including all district and school advisory councils.

"WITHHOLDING OF PAYMENTS

"SEC. 508. (a) Whenever a State educational agency, after reasonable notice and opportunity for a hearing to any local educational agency or State agency, before an impartial decisionmaker, finds that there has been a failure to comply substantially with any provision of the programs subject to this part the State educational agency shall notify such agency that further payments, in whole or in part, will not be made to it under applicable provisions of law until it is satisfied that there is no longer any such failure to comply. Until it is so satisfied, no further payments shall be made to such agency under applicable provisions of law, except as may be provided in a compliance agreement entered into under subsection (c). Pending the outcome of any proceeding under this subsection, the State educational agency may suspend payments to such agency, after such agency has been given reasonable notice and opportunity to show cause why such action should not be taken. 20 USC 3148.

"(b) Upon submission to a local educational agency or a State agency of a notice that the State educational agency pursuant to subsection (a) is withholding payment the State educational agency shall inform the district advisory council, if any, and shall take such additional action as may be necessary to bring the State action to the attention of the public.

"(c) A State educational agency may suspend the initiation or continuation of its withholding action under subsection (a) while there is in effect a compliance agreement with the local educational agency or State agency under this subsection, except that if the local educational

agency or State agency fails to comply with the terms agreed to, such agreement shall no longer be in effect and subsection (a) shall be fully operative. In implementing such subsection, the State educational agency shall take into account any partial compliance by such agency under such agreement. For purposes of this subsection, the term 'compliance agreement' means an agreement which—

"(1) sets forth the terms and conditions to which the local educational agency or State agency has agreed in order to comply with the requirements of this title or the General Education Provisions Act and regulations promulgated thereunder, and with the applicable rules, regulations, procedures, guidelines, criteria or other requirements adopted by the State educational agency;

"(2) addresses all the matters that formed the basis for the initiation of the withholding action by the State educational agency; and

"(3) may consist of a series of agreements that in the aggregate dispose of all such matters.

Within fifteen days after the execution of any compliance agreement, the State educational agency shall send a copy thereof to the district advisory council affected, and to each organization or person who filed a complaint with respect to any failure to comply which is covered by that agreement.

Appeal.
Post, p. 2354.

"(d) A local educational agency or State agency may, in accordance with section 425(a) of the General Education Provisions Act, appeal a final determination of the State educational agency under subsection (a) to the Commissioner.

"AUDITS AND AUDIT RESOLUTION

20 USC 3149.

"SEC. 509. (a) Each State shall make provision for audits of the expenditure of funds received under programs subject to this part, including funds received under this part, to determine, at a minimum, the fiscal integrity of grant or subgrant financial transactions and reports, and the compliance with applicable statutes, regulations, and terms and conditions of the grant or subgrant. Such audits shall be made with reasonable frequency, usually annually, but not less frequently than once every two years, considering the nature, size, and complexity of the activity.

Procedures.

"(b) Each State educational agency shall have in effect written procedures, meeting minimum standards established by the Commissioner, to assure timely and appropriate resolution of audit findings and recommendations arising out of audits provided for in subsection (a). Such procedures shall include a description of the audit resolution process, timetables for each step of the process, and an audit appeals process. Where, under such procedures, the audit resolution process requires the repayment of Federal funds which were misspent or misapplied, such repayment may be made in either a single payment or in installments over a period not to exceed three years.

Method of payment.

Repayment from non-Federal or Federal funds.

"(c) A local educational agency or State agency shall repay from non-Federal sources or from Federal funds no accountability for which is required to the Federal Government the amount of funds under any program to which this part applies which have been finally determined through the audit resolution process to have been misspent or misapplied.

"(d) A local educational agency or State agency may, in accordance with section 425(a) of the General Education Provisions Act, appeal a final determination of the State educational agency under subsection (b) to the Commissioner. *Post*, p. 2354.

"(e) If, following an affirmance by the Commissioner of a final determination of a State educational agency under subsection (b) or failure by a local educational agency or State agency to seek timely review by the Commissioner, such local educational agency or State agency refuses to repay from non-Federal sources or from Federal funds no accountability for which is required to the Federal Government funds which have been misspent or misapplied under any program to which this part applies, the State educational agency shall promptly notify the Commissioner and the Commissioner shall promptly initiate collection action.

"PAYMENTS; AUTHORIZATION

"SEC. 510. (a) The Commissioner is authorized to pay to each State amounts equal to the amounts expended by it for the proper and efficient performance of its duties under this part, except that the total of such payments in any fiscal year shall not exceed— 20 USC 3150.

"(1) 1.75 per centum of the amount allocated to the State and its local educational agencies as determined for that year under the programs described in section 501(a); or

"(2) $550,000, or $87,500 in the case of Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, or the Northern Marianas,

whichever is the greater, but such payment shall not be less than the amount each State received for administration of programs under this Act for fiscal year 1978.

"(b)(1) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this part for the fiscal year 1979 and for each succeeding fiscal year ending prior to October 1, 1983. Appropriation authorization.

"(2) No funds are authorized to be appropriated under this subsection for obligation by the Commissioner during any fiscal year unless—

"(A) the amount appropriated under this subsection is sufficient to pay the full amount for which each State is eligible under subsection (a) of this section for that fiscal year, and

"(B) the sums appropriated pursuant to this subsection are included in an act making appropriations for the fiscal year prior to the fiscal year in which such sums will be obligated, and are made available for expenditure prior to the beginning of such fiscal year.

"(3) Whenever the requirements of paragraph (2) are not met, each State shall receive payments under section 194 and under section 404(a)(8) of this Act, for the administration of the programs in accordance with subpart 2 of part C of title I and title IV of this Act, and sections 435 and 436 of the General Education Provisions Act. *Ante*, p. 2196. *Ante*, pp. 2183, 2229.

"(c)(1) The Commissioner is authorized to pay to each State in addition to the amount authorized under the preceding subsection an amount not to exceed 25 per centum of the amount authorized for that State under the preceding subsection in cases where— Payment of additional amounts.

"(1) such funds are used solely for purposes of monitoring, audit resolution, enforcement, or other similar activities which

are directly and exclusively related to the enforcement of the requirements of titles I and IV of this Act and of this part,

Ante, pp. 2153, 2229.

"(2) the State applies to receive such individual funds and, in the annual application submitted under section 142 of this Act specifically describes the intended uses of such funds, and

"(3) such funds are used to supplement, and not supplant, funds from non-Federal sources for such enforcement purposes.

Appropriation authorization.

"(2) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of paragraph (1) of this subsection for the fiscal year 1979 and for each succeeding fiscal year ending prior to October 1, 1983.

"PART B—STRENGTHENING STATE EDUCATIONAL AGENCY MANAGEMENT

"ACTIVITIES AUTHORIZED

20 USC 3161.

"SEC. 521. The amounts available to each State for the purposes of this part shall be used by the State educational agency of that State to strengthen the educational leadership resources of that agency and to assist that agency in identifying and meeting the critical educational needs of the State. Such activities may include—

"(1) developing more equitable means of financing education in the State;

"(2) providing resources to other branches of the State government to conduct analyses of educational issues facing the State;

"(3) developing statewide programs to assess the educational progress of students in the State in both public and private schools, including testing programs and other methods of assessing student achievement in reading, writing, and mathematics;

"(4) providing technical assistance to local educational agencies for improving planning, management of State and Federal programs, citizen involvement, and staff development;

"(5) providing technical assistance to local educational agencies for improving their instructional programs, including programs that enable parents to assist in the instruction of their children at home;

"(6) workshops, conferences, and other means of providing communication among educators and between educators and the public;

"(7) dissemination of information concerning effective educational practices;

"(8) coordinating public educational programs with those carried out in private nonprofit elementary and secondary schools in the State, and monitoring the requirements of Federal programs with respect to the participation therein of children enrolled in those schools;

"(9) professional development of employees of the State educational agency; and

"(10) developing curricular materials and programs.

"PROGRAM REQUIREMENTS

20 USC 3162.

"SEC. 522. Each State which desires to participate in programs under this part shall submit to the Commissioner a State plan which sets forth in such detail as the Commissioner prescribes the purposes

for which funds provided under this part will be used by the State educational agency. The plan shall also set forth—

"(1) the means by which the State will make information and technical assistance available to private nonprofit school officials who desire to arrange for children in those schools to participate in Federal elementary and secondary education programs; and

"(2) a comprehensive plan for the coordination of Federal and State funds for training activities for educational personnel in the State including preservice and inservice training, which plan shall be developed with the involvement of teachers, professional associations, institutions of higher education, and other interested individuals and organizations.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 523. (a) There are authorized to be appropriated for the purposes of this part such sums as may be necessary for fiscal year 1980 and for each of the succeeding fiscal years ending prior to October 1, 1983. 20 USC 3163.

"(b) No funds are authorized to be appropriated under this subsection for obligation by the Commissioner during any fiscal year unless—

"(A) the amount appropriated under this subsection is at least equal to 15 percent of the amount appropriated for part C of title IV for that fiscal year, and

Ante, p. 2237.

"(B) the sums appropriated pursuant to this subsection are included in an Act making appropriations for the fiscal year prior to the fiscal year in which such sums will be obligated, and are made available for expenditure prior to the beginning of such fiscal year.

"(c) Whenever the requirements of subsection (b) are not met, each State may reserve sums under section 404(a)(9) of this Act.

"PART C—COUNCILS ON QUALITY IN EDUCATION

"NATIONAL AND STATE ADVISORY COUNCILS

"SEC. 531. (a)(1) There is hereby established a National Council on Quality in Education (hereafter referred to as the 'National Council') composed of fifteen members appointed by the President, by and with the advice and consent of the Senate. The membership of the National Council shall include persons who are familiar with the educational needs and goals of the Nation, persons with competence in assessing the progress of the education agencies, institutions, and organizations in meeting those needs and achieving those goals, persons familiar with the administration of State and local educational agencies and of institutions of higher education, and persons representative of the general public. Members shall be appointed without regard to political affiliation. Members shall be appointed for terms of three years, except that (A) in the case of initial members, one-third of the members shall be appointed for terms of one year each and one-third of the members shall be appointed for terms of two years each, and (B) appointments to fill the unexpired portion of any term shall be for such portion only.

National Council on Quality Education, establishment. 20 USC 3171.

Membership.

"(2) The National Council shall—

Functions.

"(A) review the administration of, general regulations for, and operation of the programs assisted under this title at the Federal, State, and local levels, and other Federal education programs;

"(B) advise the Commissioner and, when appropriate, the Secretary and other Federal officials with respect to the educational needs and goals of the Nation and assess the progress of the educational agencies, institutions, and organizations of the Nation toward meeting those needs and achieving those goals;

"(C) conduct objective evaluations of specific education programs and projects in order to ascertain the effectiveness of such programs and projects in achieving the purpose for which they are intended;

"(D) review, evaluate, and transmit to the Congress and the President the reports submitted pursuant to clause (E) of paragraph (3) of subsection (b) of this section;

"(E) make recommendations (including recommendations for changes in legislation) for the improvement of the administration and operation of education programs including the programs authorized by this title;

"(F) consult with Federal, State, local, and other educational agencies, institutions, and organizations with respect to assessing education in the Nation and the improvement of the quality of education, including—

"(i) areas of unmet needs in education and national goals and the means by which those areas of need may be met and those national goals may be achieved;

"(ii) determinations of priorities among unmet needs and national goals;

"(iii) specific means of improving the quality and effectiveness of teaching, curricula, and educational media and of raising standards of scholarship and levels of achievement; and

"(G) conduct national conferences on the assessment and improvement of education, in which national and regional education associations and organizations, State and local education officers and administrators, and other organizations, institutions, and persons (including parents of children participating in Federal education programs) may exchange and disseminate information on the improvement of education; and

"(H) conduct, and report on, comparative studies and evaluations of education systems in foreign countries.

"(3) No member of the council shall evaluate any program or project if such member is associated with the program or project as a consultant, technical advisor, or in any other similar capacity.

Report to Congress and President.

"(4) The National Council shall make an annual report, and such other reports as it deems appropriate on its findings, recommendations, and activities to the Congress and the President. The President is requested to transmit to the Congress, at least annually, such comments and recommendations as he may have with respect to such reports and its activities.

"(5) In carrying out its responsibilities under this section, the National Council shall consult with the National Advisory Council on the Education of Disadvantaged Children, and such other advisory councils and committees as may have information and competence to assist the National Council. All Federal agencies are directed to

cooperate with the National Council in assisting it in carrying out its functions.

"(b)(1) Any State receiving payments under this title for any fiscal year may establish a State advisory council (hereinafter referred to as 'State council') which if it meets the requirements and has the authority specified in this subsection may receive payments pursuant to subsection (c). The State council shall be appointed by the Governor or, in the case of States in which the members of the State educational agency are elected (including election by the State legislature), by such agency. State advisory council, establishment.

"(2) The State council established pursuant to this subsection shall be broadly representative of the educational resources of the State and of the public. Representation on the State council shall include, but not be limited to persons representative of— Personnel.

"(A) public and nonprofit private elementary and secondary schools;

"(B) institutions of higher education;

"(C) areas of competence in planning and evaluating education programs, and the assessment of the effectiveness of, and the administration of, such programs at the State and local levels; and

"(D) areas of competence dealing with children for whom special educational assistance is available under this Act.

"(3) The State council shall—

"(A) prepare and submit through the State educational agency a report of its activities, recommendations, and evaluations, together with such additional comments as the State educational agency deems appropriate, to the Commissioner and the National Council at such times, in such form, and in such detail, as the Commissioner may prescribe;

"(B) advise the State educational agency on the preparation of, and policy matters arising in the administration of, State and local educational programs in the State, including the development of criteria for approval of applications for assistance under this title;

"(C) advise State and local officials who have a responsibility for education in the State with respect to the planning, evaluating, administration, and assessment of education in the State;

"(D) review and make recommendations to the State educational agency on the action to be taken with respect to applications for assistance under this title by local educational agencies; and

"(E) evaluate programs and projects assisted under this title.

"(4) Any such State shall certify the establishment and membership of its State council to the Commissioner. Certification.

"(5) Such State council shall meet within thirty days after its certification has been accepted by the Commissioner and select from among its membership a chairman. The time, place, and manner of meeting shall be as provided by the rules of the State council, except that such rules must provide for not less than one public meeting each year at which the public is given opportunity to express views concerning the operation of programs and projects assisted under this title.

"(6) Such State council shall be authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to enable them to carry out their functions under this title and Professional and other personnel.

to contract for such services as may be necessary to enable them to carry out their evaluation functions.

Appropriation authorization.

"(c)(1) There are authorized to be appropriated for each fiscal year such sums, not in excess of 2½ per centum of the amount otherwise appropriated for such year for the purposes of this title, as may be necessary to carry out the provisions of this subsection.".

TITLE VI—ESTABLISHMENT OF A NEW TITLE VI OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

EMERGENCY SCHOOL AID

SEC. 601. (a) Title VI of the Act is amended to read as follows:

Emergency School Aid Act.

"TITLE VI—EMERGENCY SCHOOL AID

"SHORT TITLE

20 USC 3191.

"SEC. 601. This title may be cited as the 'Emergency School Aid Act'.

"FINDINGS AND PURPOSE

20 USC 3192.

"SEC. 602. (a) The Congress finds that the process of eliminating or preventing minority group isolation and improving the quality of education for all children often involves the expenditure of additional funds to which local educational agencies do not have access.

"(b) The purpose of this title is to provide financial assistance—

"(1) to meet the special needs incident to the elimination of minority group segregation and discrimination among students and faculty in elementary and secondary schools; and

"(2) to encourage the voluntary elimination, reduction, or prevention of minority group isolation in elementary and secondary schools with substantial proportions of minority group students.

"POLICY WITH RESPECT TO THE APPLICATION OF CERTAIN PROVISIONS OF FEDERAL LAW

Guidelines and criteria.
20 USC 3193.

"SEC. 603. (a) It is the policy of the United States that guidelines and criteria established pursuant to this title shall be applied uniformly in all regions of the United States in dealing with conditions of segregation by race in the schools of the local educational agencies of any State without regard to the origin or cause of such segregation.

"(b) It is the policy of the United States that guidelines and criteria established pursuant to title VI of the Civil Rights Act of 1964 and section 182 of the Elementary and Secondary Education Amendments of 1966 shall be applied uniformly in all regions of the United States in dealing with conditions of segregation by race whether de jure or de facto in the schools of the local educational agencies of any State without regard to the origin or cause of such segregation.

42 USC 2000d.
Ante, p. 2188.

"AUTHORIZATION

20 USC 3194.

"SEC. 604. (a) The Assistant Secretary shall, in accordance with the provisions of this title, carry out a program designed to achieve the purpose set forth in section 602(b). The Assistant Secretary shall

delegate the responsibilities for the operation for such program to the Commissioner.

"(b)(1) There are authorized to be appropriated for the purposes of this title, to be apportioned among the States in accordance with section 605, $155,000,000 for fiscal year 1980 and for each of the three succeeding fiscal years.

"(2) There are further authorized to be appropriated for the purpose of this title $245,000,000 for fiscal year 1980 and for each of the three succeeding fiscal years for special programs and projects under section 608 (except subsection (b) thereof) and under section 611, and for evaluations under section 613. From the amount appropriated under this subsection for any fiscal year, the Assistant Secretary shall reserve $20,000,000 or 25 per centum of such sums appropriated under this title, whichever is greater, for the purpose of carrying out programs and projects described in section 608(a) (1) through (3) and shall reserve 7 per centum for the projects described in section 611.

"(3) There are further authorized to be appropriated for the purpose of this title $15,000,000 for the fiscal year 1980 and for each of the three succeeding fiscal years for programs and projects designed to support the development or implementation of plans under section 608(b).

"(c)(1) There are further authorized to be appropriated for the purpose of this title $7,250,000 and such additional sums as may be necessary for fiscal year 1980 and for each of the three succeeding fiscal years for providing compensatory services to students who had previously received such services funded in whole or in part under title I of this Act, but who are no longer receiving such services as a result of attendance area or enrollment changes under a plan implemented or ordered after August 21, 1974, if the plan meets the requirements of section 606(a)(1) (A), (B), (C), or (D) for eligibility for assistance under this title.

Ante, p. 2153.

"(2) Funds made available under paragraph (1)—

"(A) shall not be used in any manner which would result in the isolation of the students described in such paragraph from other students in the school to which the students so described have been assigned by such plan; and

"(B) shall be used to establish compensatory education programs, not less than 30 per centum of the enrollment in which is such other students, except that—

"(i) if such school receives funds under provisions of this title other than this subsection, such funds shall be used to provide such services to such other students; or

"(ii) if such school does not receive such funds, funds provided under this subsection may be used for such other students, not exceeding 30 per centum of the enrollment in such program.

"APPORTIONMENT AMONG STATES

"SEC. 605. (a) From the sums appropriated pursuant to section 604(b)(1) for any fiscal year, the Assistant Secretary shall apportion to each State for grants and contracts within the State $75,000 plus an amount which bears the same ratio to such sums as the number of minority group children aged five through seventeen, inclusive, in that State bears to the number of such children in all States, except that the amount apportioned to any State shall not be less than

20 USC 3195.

$100,000. The number of such children in each State and in all of the States shall be determined by the Assistant Secretary on the basis of the most recently available satisfactory data.

"(b)(1) The amount by which any apportionment to a State for a fiscal year under subsection (a) exceeds the amount which the Assistant Secretary determines will be required for that fiscal year for programs and projects within that State shall be available either—

"(A) for reapportionment to other States for which the amount so apportioned is insufficient for approvable programs or projects for that fiscal year, or

"(B) for special programs and projects under section 608(a), whichever the Assistant Secretary determines will best achieve the purposes of this title. The Assistant Secretary shall distribute any amounts reapportioned among the States pursuant to clause (A) in proportion to the need of eligible applicants in each such State for approvable programs or projects.

"(2) The Assistant Secretary shall not fix a date for reapportionment, pursuant to this subsection, of any portion of any apportionment to a State for a fiscal year which date is earlier than one hundred and twenty days prior to the end of such fiscal year.

"(3) Notwithstanding the provisions of paragraph (1) of this subsection, no portion of any apportionment to a State for a fiscal year shall be available for reapportionment pursuant to this subsection unless the Assistant Secretary determines that the application for assistance under this title which have been filed by eligible applicants in that State for which a portion of such apportionment has not been reserved (but which would necessitate use of that portion) are applications which do not meet the requirements of this title, as set forth in sections 606, 607, and 610, or which set forth programs or projects of such insufficient promise for achieving the purposes of this title stated in section 602(b) that their approval is not warranted.

"ELIGIBILITY FOR ASSISTANCE

20 USC 3196.

"SEC. 606. (a)(1) The Assistant Secretary is authorized to make a grant to, or a contract with, a local educational agency—

"(A) which is implementing a plan—

"(i) which has been undertaken pursuant to a final order issued by a court of the United States, or a court of any State, or any other State agency or official of competent jurisdiction, and which requires the desegregation of minority group segregated children or faculty in the elementary and secondary schools of such agency, or otherwise requires the elimination or reduction of minority group isolation in such schools, and which may, in addition, require educational activities in minority group isolated schools not affected by the reassignment of children or faculty under the plan in order to remedy the effects of illegal segregation; or

"(ii) which has been approved by the Secretary as adequate under title VI of the Civil Rights Act of 1964 fo. the desegregation of minority group segregated children or faculty in such schools; or

42 USC 2000d.

"(B) which, without having been required to do so, has adopted and is implementing, or will, if assistance is made available to it under this title, adopt and implement, a plan for the complete

elimination of minority group isolation in all the minority group isolated schools of such agency; or

"(C) which has adopted and is implementing, or will, if assistance is made available to it under this Act, adopt and implement a plan—

"(i) to eliminate or reduce minority group isolation in one or more of the minority group isolated schools of such agency,

"(ii) to reduce the total number of minority group children who are in minority group isolated schools of such agency, or

"(iii) to prevent minority group isolation reasonably likely to occur (in the absence of assistance under this title) in any school in such district in which school at least 20 per centum, but not more than 50 per centum, of the enrollment consists of such children, or

"(D) which, without having been required to do so, has adopted and is implementing, or will, if assistance is made available to it under this title, adopt and implement a plan to enroll and educate in the schools of such agency children who should not otherwise be eligible for enrollment because of nonresidence in the school district of such agency, where such enrollment would make a significant contribution toward reducing minority group isolation in one or more of the school districts; or

"(E) which is developing a plan of desegregation—

"(i) issued by a court of the United States or a court of any State, or any other State agency or official of competent jurisdiction, or

"(ii) undertaken by such agency voluntarily, and

which plan will require the desegregation of minority group segregated children or faculty in the elementary and secondary schools of such agency, or otherwise will require the elimination or reduction of minority group isolation in such schools, or which has been approved by the Secretary as adequate under title VI of the Civil Rights Act of 1964 for the desegregation of minority group segregated children or faculty in such schools, and the period for such planning does not exceed two years. 42 USC 2000d.

Grants under clause (E) shall be from funds appropriated to carry out the purposes of section 608, and not more than one grant for the development of a plan under clause (E) of this paragraph may be made to any local educational agency. Receipt of a grant or contract under clause (E) of this paragraph shall not be used as an absolute defense in any court of the United States, or a court of any State, or before any other State agency or official of competent jurisdiction.

"(2)(A) The Assistant Secretary is authorized, in accordance with special eligibility criteria established by regulation for the purposes of this paragraph, to make grants to, and contracts with, local educational agencies for the purposes of section 609(a)(1).

"(B) A local educational agency shall be eligible for assistance under this paragraph only if— Assistance, eligibility, conditions.

"(i) such agency is located within, or adjacent to, a Standard Metropolitan Statistical Area;

"(ii) the schools of such agency are not attended by minority group children in a significant number or proportion; and

"(iii) such local educational agency has made joint arrangements with a local educational agency, located within that Standard Metropolitan Statistical Area, and the schools of which are

attended by minority group children in a significant proportion, for the establishment or maintenance of one or more integrated schools as provided in section 617(3).

Grant or contract, eligibility.

"(b) No local educational agency making application under this section shall be eligible to receive a grant or contract in an amount in excess of the amount determined by the Assistant Secretary, in accordance with regulations setting forth criteria established for such purpose, to be the additional cost to the applicant arising out of activities authorized under this title, above that of the activities normally carried out by the local educational agency.

Assistance, noneligibility conditions.

"(c)(1) Except as provided in paragraph (2), no educational agency shall be eligible for assistance under this title if it has, after June 23, 1972—

"(A) transferred (directly or indirectly by gift, lease, loan, sale, or other means) real or personal property to, or made any services available to, any transferee which it knew or reasonably should have known to be a nonpublic school or school system (or any organization controlling, or intending to establish, such a school or school system) without prior determination that such nonpublic school or school system (i) is not operated on a racially segregated basis as an alternative for children seeking to avoid attendance in desegregated public schools, and (ii) does not otherwise practice, or permit to be practiced, discrimination on the basis of race, color, or national origin in the operation of any school activity;

"(B) had in effect any practice, policy, or procedure which results in the disproportionate demotion or dismissal of instructional or other personnel from minority groups in conjunction with desegregation or the implementation of any plan or the conduct of any activity described in this section, or otherwise engaged in discrimination based upon race, color, or national origin in the hiring, promotion, or assignment of employees of the agency (or other personnel for whom the agency has any administrative responsibility);

"(C) in conjunction with desegregation or the conduct of an activity described in this section, had in effect any procedure for the assignment of children to or within classes which results in the separation of minority group from nonminority group children for a substantial portion of the school day, except that this clause does not prohibit the use of bona fide ability grouping by a local educational agency as a standard pedagogical practice; or

"(D) had in effect any other practice, policy, or procedure, such as limiting curricular or extracurricular activities (or participation therein by children) in order to avoid the participation of minority group children in such activities, which discriminates among children on the basis of race, color, or national origin;

Exception.

except that, in the case of any local educational agency which is ineligible for assistance by reason of clause (A), (B), (C), or (D), such agency may make application for a waiver of ineligibility, which application shall specify the reason for its ineligibility, contain such information and assurances as the Secretary shall require by regulation in order to insure that any practice, policy, or procedure, or other activity resulting in the ineligibility has ceased to exist or occur and include such provisions as are necessary to insure that such activities do not reoccur after the submission of the application.

"(2) Whenever a local educational agency applies for assistance under clause (E) of section 606(a)(1), the provisions of clauses (C) and (D) of paragraph (1) of this subsection shall not apply if the local educational agency provides assurances in the application for assistance that the development of the plan for which assistance is sought will address the conditions described in such clauses (C) and (D).

"(3)(A) Applications for waivers under paragraph (1) may be approved only by the Secretary. The Secretary's functions under this paragraph shall, notwithstanding any other provision of law, not be delegated.

"(B) Application for waiver shall be granted by the Secretary upon determination that any practice, policy, procedure or other activity resulting in ineligibility has ceased to exist, and that the applicant has given satisfactory assurance that the activities prohibited in this subsection will not reoccur.

"(4) No application for assistance under this title shall be approved prior to a determination by the Secretary that the applicant is not ineligible by reason of this subsection.

"(5) All determinations pursuant to this subsection shall be carried out in accordance with criteria and investigative procedures established by regulations of the Secretary for the purpose of compliance with this subsection.

"(6) All determinations and waivers pursuant to this subsection shall be in writing.

"(7) The Assistant Secretary shall prepare and include in the annual report required by section 422(a)(4) of the General Education Provisions Act a list of all the waivers granted under this subsection for the preceding fiscal year. 20 USC 1231a.

"AUTHORIZED ACTIVITIES

"SEC. 607. (a) The Assistant Secretary shall make sums appropriated under section 604(a) for any fiscal year available for programs and projects designed to meet educational needs that arise from the development of or the implementation of a plan described in section 606(a). Those programs and projects may include, but are not limited to— 20 USC 3197.

"(1) the training of school staff and local educational agency staff in the handling of problems incident to the implementation of a qualifying plan;

"(2) the provision of additional staff members (including teacher aides) to assist in meeting educational needs that arise from the implementation of the plan;

"(3) the development or acquisition of new curricula, methods, practices, techniques, or materials to support a program of instruction for children from all racial, ethnic, and economic backgrounds, including instruction in the language and cultural heritage of minority groups;

"(4) innovative educational activities, including extracurricular activities, which involve the joint participation of minority group children and other children;

"(5) community relations activities, including public information efforts, in support of the implementation of a qualifying plan;

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"(6) planning, evaluation, dissemination, and other administrative activities directly related and necessary to other activities in the program or project;

"(7) repair or minor remodeling or alteration of existing school facilities (including the acquisition, installation, modernization, or replacement of instructional equipment) and the lease or purchase of mobile classroom units or other mobile education facilities, where necessary to carry out other activities in the program or project;

"(8) the provision of compensatory services to children who have received such services under title I but who are no longer eligible to receive those services as a result of attendance area changes under a qualifying plan;

Ante, p. 2153.

"(9) activities to prevent or eliminate recurring or continuing problems resulting from the implementation of a qualifying plan;

"(10) planning to implement or carry out a plan of desegregation issued by a court of the United States, or a court of any State, or any other State agency or official of competent jurisdiction, and which requires the desegregation of minority group segregated children or faculty in the elementary and secondary schools of such agency, or otherwise requires the elimination or reduction of minority group isolation in such schools or which has been approved by the Secretary as adequate under title VI of the Civil Rights Act of 1964 for the desegregation of minority group segregated children or faculty in such schools; and

42 USC 2000d.

"(11) in the case of an applicant implementing a court-ordered desegregation plan under section 606(a)(1)(A)(i), the conduct of educational activities in one or more minority group isolated schools which are not affected by the reassignment of children or faculty under the plan, where the activities have been required by the court to remedy the effects of illegal segregation.

"(b) In recruiting and hiring teacher aides to assist in carrying out a programs or projects under this section the local educational agency shall give preference to parents of children affected by the implementation of a qualifying plan.

"SPECIAL PROGRAMS AND PROJECTS

20 USC 3198.

"SEC. 608. (a) From the amount appropriated for any fiscal year under section 604(b), the Assistant Secretary is authorized to make grants to, and contracts with, State and local educational agencies, and other public and private nonprofit agencies and organizations (or a combination of such agencies and organizations) for the purpose of carrying out activities which the Assistant Secretary determines will make substantial progress toward achieving the purposes of this title, including, but not limited to—

"(1) the planning for, design of, and conduct of programs in magnet schools;

"(2) the pairing of schools and programs with institutions of higher education and with businesses;

"(3) the development of plans for neutral site schools;

"(4) activities designed to meet the needs of minority group children of limited English language proficiency enrolled in the schools of a local educational agency eligible for assistance under section 606; and

"(5) the development and production of integrated children's television and radio programs of cognitive and affective educational value, as described in section 611.

"(b) From the amount appropriated for any fiscal year under section 604(b)(3), the Assistant Secretary, in cases in which it would effectively carry out the purpose of this title stated in section 602(b), may assist by grant or contract any public or private nonprofit agency, institution, or organization (other than a local educational agency) in any State to carry out programs or projects designed to support the development or implementation of a plan described in section 606(a). Grants and contracts.

"(c)(1) From the amount available for the purposes of this section for each fiscal year, the Assistant Secretary shall carry out a program of making grants to State educational agencies, or other State agencies involved in or responsible for the desegregation of public elementary and secondary schools, to pay a portion of the cost of State activities related to— Assistance for State desegregation activities.

"(A) planning (i) for the implementation of voluntary plans to eliminate or reduce minority group isolation in those schools, and (ii) to assess future needs, and to develop further strategies to meet those needs;

"(B) providing technical assistance to encourage local educational agencies or groups of those agencies to develop or implement voluntary plans to eliminate or reduce minority group isolation in those schools; and

"(C) providing training for educational personnel involved in developing or carrying out a voluntary plan to eliminate or reduce minority group isolation in those schools.

"(2) The amount of assistance made available to a State under this subsection for any fiscal year shall be twice the amount of State funds expended in the preceding fiscal year for the activities listed in paragraph (1). The amount provided to a State under this section for any fiscal year shall not exceed—

"(A) 10 per centum of the amount apportioned to the State for that fiscal year under section 605, or

"(B) $500,000,

whichever is greater.

"(3) No grant may be made to a State under this subsection unless the application for that grant has been developed in consultation with teachers, educators, parents (including parents of minority group children), and representatives of the general public (including representatives of minority groups), of whom the proportion of minority group individuals shall be approximately the same as the proportion of minority group children enrolled in the elementary and secondary schools in the State. Grant applications.

"METROPOLITAN AREA PROJECTS

"SEC. 609. (a) Sums available to the Assistant Secretary under section 608 for metropolitan area projects shall be available for the following purposes: 20 USC 3199.

"(1) A program of grants to, and contracts with local educational agencies which are eligible under section 606(a)(2) in order

to assist them in establishing and maintaining integrated schools as defined in section 617(3).

"(2) A program of grants to groups of local educational agencies located in a Standard Metropolitan Statistical Area for the joint development of a plan to reduce and eliminate minority group isolation, to the maximum extent possible, in the public elementary and secondary schools in the Standard Metropolitan Statistical Area, which shall, as a minimum, provide that by a date certain, but in no event later than July 1, 1983, the percentage of minority group children enrolled in each school in the Standard Metropolitan Statistical Area shall be at least 50 per centum of the percentage of minority group children enrolled in all the schools in the Standard Metropolitan Statistical Area. No grant may be made under this paragraph unless—

"(A) two-thirds or more of the local educational agencies in the Standard Metropolitan Statistical Area have approved the application, and

"(B) the number of students in the schools of the local educational agencies which have approved the application constitutes two-thirds or more of the number of students in the schools of all the local educational agencies in the Standard Metropolitan Statistical Area.

"(b) In making grants and contracts under this section, the Assistant Secretary shall insure that at least one grant shall be for the purposes of paragraph (2) of subsection (a).

"APPLICATIONS

20 USC 3200.

"SEC. 610. (a) Any local educational agency desiring to receive assistance under this title shall submit to the Assistant Secretary, at such time, in such form, and containing only such information as the Secretary and the Assistant Secretary deem necessary to carry out their functions under this title, an application describing the activities to be carried out under the application during the period, not to exceed five academic years, for which assistance is being sought. That application, together with all correspondence and other written materials relating thereto, shall be made readily available to the public by the applicant and by the Assistant Secretary. The Assistant Secretary may approve an application only upon a determination that such application—

Information, availability to public.

"(1) has been developed—

"(A) in open consultation with parents, teachers and, where applicable, secondary school students, including at least one public hearing at which such persons have had a full opportunity to understand the program for which assistance is being sought and to offer recommendations thereupon, and

"(B) with the participation of a committee composed of parents of children enrolled in the applicant's schools, teachers and, where applicable, secondary school students, of which at least half the members shall be such parents and at least half shall be persons from minority groups;

"(2) sets forth such policies and procedures as will insure that the program for which assistance is sought will be operated in consultation with, and with the involvement of, parents of the children and representatives of the area to be served, including the committee established for the purposes of clause (1)(B);

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"(3) sets forth such policies and procedures, and contains such information, as will insure that funds paid to the applicant under the application will be used solely to pay the additional cost to the applicant in carrying out the program described in the application;

"(4) contains such assurances and other information as will insure that the program for which assistance is sought will be administered by the applicant, and that any funds received by the applicant, and any property derived therefrom, will remain under the administration and control of the applicant;

"(5) provides that the plan with respect to which such agency is seeking assistance (as specified in section 606(a)(1)(A)) does not involve freedom of choice as a means of desegregation, unless the Assistant Secretary determines that freedom of choice has achieved, or will achieve, the complete elimination of a dual school system in the school district of such agency;

"(6) provides assurances that such agency will carry out, and comply with, all provisions, terms, and conditions of any plan, as described in section 606, upon which a determination of its eligibility for assistance under this title is based;

"(7) sets forth such policies and procedures, and contains such information, as will insure that funds made available to the applicant (A) under this title will be so used (i) as to supplement the level of funds that would, in the absence of such funds, be made available from non-Federal sources for the purposes of the program for which assistance is sought, and for promoting the integration of the schools of the applicant, and for the education of children participating in such program, and (ii) in no case, as to supplant such funds from non-Federal sources, and (B) under any other law of the United States will, in accordance with standards established by regulation, be used in coordination with such programs to the extent consistent with such other law, except that nothing in this clause shall prohibit the use of funds under this title for otherwise authorized activities required under a court-ordered plan described in section 606(a)(1)(A)(i);

"(8) provides that (A) to the extent consistent with the number of minority group children in the area to be served who are enrolled in private nonprofit elementary and secondary schools which are operated in a manner free from discrimination on the basis of race, color, or national origin, and which do not serve as alternatives for children seeking to avoid attendance in desegregated or integrated public schools, whose participation would assist in achieving the purpose of this title stated in section 602(b), provides assurance that such agency (after consultation with the appropriate private school officials) has made provision for their participation on an equitable basis, and (B) to the extent consistent with the number of children, teachers, and other educational staff in the school district of such agency enrolled or employed in private nonprofit elementary and secondary schools whose participation would assist in achieving the purpose of this title stated in section 602(b), such agency (after consultation with the appropriate private school officials) has made provisions for their participation on an equitable basis;

"(9) provides that the applicant has not reduced its fiscal effort per student or the aggregate expenditure for the provision of free

public education for children in attendance at the schools of such agency for the fiscal year for which assistance is sought under this title to less than that of the second preceding fiscal year;

"(10) provides that the appropriate State educational agency has been given reasonable opportunity to offer recommendations to the applicant and to submit comments to the Assistant Secretary;

"(11) sets forth effective procedures, including provisions for objective measurement of change in educational achievement and other change to be effected by programs conducted under this title, for the continuing evaluation of programs under this title, including their effectiveness in achieving clearly stated program goals, their impact on related programs and upon the community served, and their structure and mechanisms for the delivery of services, and including, where appropriate, comparisons with proper control groups composed of persons who have not participated in such programs or projects;

Reports.

"(12) provides (A) that the applicant will make periodic reports at such time, in such form, and containing such information as the Assistant Secretary may prescribe, including, in the case of reports relating to performance, that the reports be consistent with specific criteria related to the program objectives and

Recordkeeping.

(B) that the applicant will keep such records and afford such access thereto as—

"(i) will be necessary to insure the correctness of such reports and to verify them,

"(ii) will be necessary to insure the public adequate access to such reports and other written materials; and

"(13) provides that the applicant, in developing the program or project for which it seeks assistance, has considered the need for compensatory services for children who received those services under title I of this Act, but who are no longer eligible to receive those services as a result of attendance area changes under a qualifying plan.

Ante, p. 2153.

Notice of ineligibility.

"(b) Except in the case of applications for assistance under section 608(a), the Secretary shall determine whether the applicant is eligible under section 606(c), and notify the applicant in writing of any determination of ineligibility under that subsection, including in detail the relevant information on which the determination of ineligibility is based, not later than March 1 of the year in which the academic year or other period for which the assistance is sought begins. Not later than June 30 of that year, the Assistant Secretary shall notify the applicant of the approval or disapproval of the application and the amount of its award, if any.

"(c) No application under this section may be approved which is not accompanied by the written comments of a committee established pursuant to clause (2)(B) of subsection (a). The Assistant Secretary shall not approve an application without first affording the committee an opportunity for an informal hearing if the committee requests such a hearing.

Applications, criteria for approval.

"(d) In approving applications submitted under this title (except for those submitted under sections 608(b) and 613) the Assistant Secretary shall apply the following criteria:

"(1) the need for assistance based on the expense or difficulty of effectively carrying out a plan described in section 606(a) and the program or projects for which assistance is sought;

"(2) the degree to which implementation of the plan described in section 606(a) has effected or will effect a decrease in minority group isolation in minority group isolated schools;

"(3) the recentness of the implementation of the plan described in section 606(a);

"(4) the degree to which the program or project for which assistance is sought affords promise of achieving the purposes of this title; and

"(5) the degree to which the plan described in section 606 involves to the fullest extent practicable the total educational resources, both public and private, of the community to be served.

Duration of assistance.

"(e)(1) An application of a local educational agency for assistance under this title may cover a period of from one to five years. A new application shall be required for any assistance under this title for years subsequent to that period. The Assistant Secretary shall base the decision as to the length of time for which an application will be approved on—

"(A) the severity of the problems addressed by the program or project for which assistance is being sought;

"(B) the nature of the activities proposed in the application;

"(C) the likely duration of the problems addressed by the application; and

"(D) such other criteria, established by the Assistant Secretary as will assure the most effective use of this title.

"(2) If the Assistant Secretary approves an application of a local educational agency under this title for a period covering more than one fiscal year, no subsequent application shall be required from that agency in any fiscal year during that period unless the agency proposes to carry out, in any such fiscal year, activities not included in the approved application. However, payments to any such agency for any fiscal year subsequent to the first fiscal year for which the application has been approved shall be made only if—

"(A) sufficient appropriations are available for making payments in each such subsequent fiscal year; but such payments to applicants which are approved for a period of more than one year shall be made prior to any approval of funding requests from other applicants unless the Assistant Secretary finds that the urgency of needs elsewhere requires a reduction of the level of support for the applicants first approved;

"(B) the Assistant Secretary determines that the agency is not ineligible for assistance under section 606(d) in each subsequent fiscal year; and

"(C) the agency demonstrates, by such means as the Assistant Secretary may prescribe, that satisfactory progress is being made toward achieving the objectives of the program or projects for which assistance has been made available under this title.

"(f) The Assistant Secretary shall not give less favorable consideration to the application of a State or local educational agency (including an agency currently classified as legally desegregated by the Secretary) which has voluntarily adopted a plan qualified for assistance under this title (due only to the voluntary nature of the action) than to the

application of a local educational agency which has been legally required to adopt such a plan.

Applications, filing dates.

"(g) The Assistant Secretary may, from time to time, set dates by which applications shall be filed.

"(h) In the case of an application by a combination of local educational agencies for jointly carrying out a program or project under this title, at least one such agency shall be a local educational agency described in section 606(a) and any one or more of such agencies joining in such application may be authorized to administer such program or project.

"(i) No State shall reduce the amount of State aid with respect to the provision of free public education in any school district of any local educational agency within such State because of assistance made or to be made available to such agency under this title.

"EDUCATIONAL TELEVISION AND RADIO

Grants and contracts.
20 USC 3201.

"SEC. 611. (a)(1) The Assistant Secretary shall carry out a program of making grants to, or contracts with, public or private nonprofit agencies, institutions, or organizations with the capability of providing expertise in the development of high quality television and radio programing, in sufficient number to assure diversity, to pay the cost of development and production of integrated children's television and radio programs of cognitive and affective educational value.

"(2) Television and radio programs developed in whole or in part with assistance provided under this title shall be made reasonably available for transmission, free of charge, and shall not be transmitted under commercial sponsorship.

"(3) The Assistant Secretary may approve an application under this section only if he determines that the applicant—

"(A) will employ members of minority groups in responsible positions in development, production, and administrative staffs;

"(B) will assure the development of productions having a substantial artistic or educational significance;

"(C) will use modern television and radio techniques of research and production; and

"(D) has adopted effective procedures for evaluating educational and other changes achieved by children viewing the program.

"(b) Grants and contracts pursuant to subsection (a) may be made from funds available to carry out section 604(b)(2) of this Act.

"(c) Not to exceed 10 per centum of the amounts available for this section shall be used for grants and contracts for development and production of radio programing.

"PAYMENTS

20 USC 3202.

"SEC. 612. (a) Upon his approval of an application for assistance under this title, the Assistant Secretary shall reserve from the applicable apportionment (including any applicable reapportionment) available therefor the amount fixed for such application.

"(b) The Assistant Secretary shall pay to the applicant such reserved amount, in advance or by way of reimbursement, and in such installments consistent with established practice, as he may determine. Payments under this title for a fiscal year shall remain available for

obligation and expenditure by the recipient until the end of the succeeding fiscal year.

"(c)(1) If a local educational agency in a State is prohibited by law from providing for the participation of children and staff enrolled or employed in private nonprofit elementary and secondary schools as required by paragraph (8) of section 610(a), the Assistant Secretary may waive such requirement with respect to local educational agencies in such State and, upon the approval of an application from a local educational agency within such State, shall arrange for the provision of services to such children enrolled in, or teachers or other educational staff of, any nonprofit private elementary or secondary school located within the school district of such agency if the participation of such children and staff would assist in achieving the purpose of this title stated in section 602(b). The services to be provided through arrangements made by the Assistant Secretary under this paragraph shall be comparable to the services to be provided by such local educational agency under such application. The Assistant Secretary shall pay the cost of such arrangements from such State's allotment or, in the case of an application under section 608(a), from the sums available to the Assistant Secretary under section 604(b) for the purpose of that subsection. Waiver.

"(2) In determining the amount to be paid pursuant to paragraph (1), the Assistant Secretary shall take into account the number of children and teachers and other educational staff who, except for provisions of State law, might reasonably be expected to participate in the program carried out under this title by such local educational agency.

"(3) If the Assistant Secretary determines that a local educational agency has substantially failed to provide for the participation on an equitable basis of children and staff enrolled or employed in private nonprofit elementary and secondary schools as required by paragraph (8) of section 610(a), he shall arrange for the provision of services to children enrolled in, or teachers or other educational staff of, the nonprofit private elementary or secondary school or schools located within the school district of such local educational agency, which services shall, to the maximum extent feasible, be identical with the services which would have been provided such children or staff had the local educational agency carried out such assurance. The Assistant Secretary shall pay the cost of such services from the grant to such local educational agency and shall have the authority for this purpose of recovering from such agency any funds paid to it under such grant.

"(d) After making a grant or contract under this title, the Assistant Secretary shall notify the appropriate State educational agency of the name of the approved applicant and of the amount approved. Application approval, notification.

"EVALUATIONS

"SEC. 613. From the amount appropriated under section 604(b) for any fiscal year, the Assistant Secretary is authorized to reserve for the purpose of this section not to exceed 1 per centum of the amount appropriated under this title for that fiscal year. From such reservation, the Assistant Secretary is authorized to make grants to, and contracts with, State educational agencies, institutions of higher education and private organizations, institutions, and agencies, including committees established pursuant to section 610(a)(1) for the purpose of evaluating specific programs and projects assisted under this title. 20 USC 3203.

"JOINT FUNDING

20 USC 3204.

"SEC. 614. Pursuant to regulations prescribed by the President, where funds are advanced under this title, and by one or more other Federal agencies for any project or activity, funded in whole or in part under this title, any one of such Federal agencies may be designated to act for all in administering the funds advanced. In such cases any such agency may waive any technical grant or contract requirement (as defined by regulations) which is inconsistent with the similar requirements of the administering agency or which the administering agency does not impose. Nothing in this section shall be construed to authorize (1) the use of any funds appropriated under this title for any purpose not authorized herein, (2) a variance of any reservation or apportionment under section 604 or 605, or (3) waiver of any requirement set forth in sections 606 through 611.

Contract or grant requirements.

"ATTORNEY FEES

20 USC 3205.

"SEC. 615. Upon the entry of a final order by a court of the United States against a local educational agency, a State (or any agency thereof), or the United States (or any agency thereof), for failure to comply with any provision of this title or for discrimination on the basis of race, color, or national origin in violation of title VI of the Civil Rights Act of 1964, or the fourteenth amendment to the Constitution of the United States as they pertain to elementary and secondary education, the court, in its discretion, upon a finding that the proceedings were necessary to bring about compliance, may allow the prevailing party, other than the United States, a reasonable attorney's fee as part of the costs.

"NEIGHBORHOOD SCHOOLS

20 USC 3206.

"SEC. 616. Nothing in this title shall be construed as requiring any local educational agency which assigns students to schools on the basis of geographic attendance areas drawn on a racially nondiscriminatory basis to adopt any other method of student assignment.

"DEFINITIONS

20 USC 3207.

"SEC. 617. Except as otherwise specified, the following definitions shall apply to the terms used in this title:

"(1) The term 'equipment' includes machinery, utilities and built-in equipment and any necessary enclosures or structures to house them, and includes all other items necessary for the provision of educational services, such as instructional equipment and necessary furniture, printed, published, and audiovisual instructional materials, and other related material.

"(2) The term 'institution of higher education' means an educational institution in any State which—

"(A) admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

"(B) is legally authorized within such State to provide a program of education beyond high school;

"(C) provides an educational program for which it awards a bachelor's degree; or provides not less than a two-year program

which is acceptable for full credit toward such a degree, or offers a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles or knowledge;

"(D) is a public or other nonprofit institution; and

"(E) is accredited by a nationally recognized accrediting agency or association listed by the Assistant Secretary for the purpose of this paragraph.

"(3) For the purpose of section 606(a)(2) and section 609(a)(1), the term 'integrated school' means a school with an enrollment in which a substantial proportion of the children is from educationally advantaged backgrounds, in which the proportion of minority group children is at least 50 per centum of the proportion of minority group children enrolled in all schools of the local educational agencies within the Standard Metropolitan Statistical Area, and which has a faculty and administrative staff with a substantial representation of minority group persons.

"(4) The term 'local educational agency' means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or a federally recognized Indian reservation, or such combination of school districts, or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools, or a combination of local educational agencies; and includes any other public institution or agency having administrative control and direction of a public elementary or secondary school and where responsibility for the control and direction of the activities in such schools which are to be assisted under this title is vested in an agency subordinate to such a board or other authority, the Assistant Secretary may consider such subordinate agency as a local educational agency for the purposes of this title.

"(5) The term 'magnet school' means a school or education center that offers a special curriculum capable of attracting substantial numbers of students of different racial backgrounds.

"(6) The term 'minority group' refers to (A) persons who are American Indians and Alaskan Natives; Asians and Pacific Islanders; blacks, not of Hispanic origin; Hispanics; Franco-Americans; and Portuguese; and (B) (except for purposes of section 605), as determined by the Assistant Secretary, persons who are from environments in which the dominant language is other than English and who, as a result of language barriers and cultural differences, do not have an equal educational opportunity.

"(7) The terms 'minority group isolated school' and 'minority group isolation' in reference to a school mean a school and condition, respectively, in which minority group children constitute more than 50 percentum of the enrollment of a school.

"(8) The term 'neutral site school' means a school that is located so as to be accessible to substantial numbers of students of different racial backgrounds.

"(9) The term 'Standard Metropolitan Statistical Area' means the area in and around a city of fifty thousand inhabitants or more as defined by the Office of Management and Budget.

"(10) The term 'State' means one of the fifty States or the District of Columbia, and for purposes of section 608 (a) and (b), Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands shall be deemed to be States.".

20 USC 1603.

(b)(1)(A) Section 704(c) of the Emergency School Aid Act is amended by striking out "for fiscal year 1978" and inserting in lieu thereof "each for fiscal year 1978 and for the fiscal year 1979".

(B) Section 704(d) of the Emergency School Aid Act is amended by striking out "for the fiscal year 1978" and inserting in lieu thereof "each for the fiscal year 1978 and for the fiscal year 1979".

Repeal. 20 USC 1601-1619.

(2) Title VII of the Education Amendments of 1972 is repealed effective September 30, 1979.

TITLE VII—AMENDMENT TO TITLE VII OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

AMENDMENT

SEC. 701. Title VII of the Elementary and Secondary Education Act of 1965 is amended to read as follows:

Bilingual Education Act.

"TITLE VII—BILINGUAL EDUCATION PROGRAMS

"SHORT TITLE

20 USC 3221.

"SEC. 701. This title may be cited as the 'Bilingual Education Act.'

"POLICY; APPROPRIATIONS

20 USC 3222.

"SEC. 702. (a) Recognizing—

"(1) that there are large numbers of children of limited English proficiency;

"(2) that many of such children have a cultural heritage which differs from that of English-speaking persons;

"(3) that a primary means by which a child learns is through the use of such child's language and cultural heritage;

"(4) that, therefore, large numbers of children of limited English proficiency have educational needs which can be met by the use of bilingual educational methods and techniques;

"(5) that, in addition, children of limited English proficiency and children whose primary language is English benefit through the fullest utilization of multiple language and cultural resources;

"(6) children of limited English proficiency have a high dropout rate and low median years of education; and

"(7) research and evaluation capabilities in the field of bilingual education need to be strengthened,

the Congress declares it to be the policy of the United States, in order to establish equal educational opportunity for all children (A) to encourage the establishment and operation, where appropriate, of educational programs using bilingual educational practices, techniques, and methods, and (B) for that purpose, to provide financial assistance to local educational agencies, and to State educational agencies for certain purposes, in order to enable such local educational agencies to develop and carry out such programs in elementary and secondary

schools, including activities at the preschool level, which are designed to meet the educational needs of such children, with particular attention to children having the greatest need for such programs; and to demonstrate effective ways of providing, for children of limited English proficiency, instruction designed to enable them, while using their native language, to achieve competence in the English language.

"(b)(1) For the purpose of carrying out the provisions of this title, there are authorized to be appropriated $200,000,000 for fiscal year 1979; $250,000,000 for fiscal year 1980; $300,000,000 for fiscal year 1981; $350,000,000 for fiscal year 1982; and $400,000,000 for the fiscal year 1983. Appropriation authorization.

"(2) There are further authorized to be appropriated to carry out the provisions of section 721(b)(5) $12,000,000 for fiscal year 1979; $14,000,000 for fiscal year 1980; $16,000,000 for fiscal year 1981; and such sums as may be necessary for each of the two succeeding fiscal years.

"(3) From the sums appropriated under paragraph (1) for any fiscal year, the Commissioner shall reserve $16,000,000 of that part thereof that does not exceed $70,000,000 for training activities carried out under section 721(a)(3), and shall reserve for those activities not less than 20 per centum of that part thereof which is in excess of $70,000,000.

"(4) The Commissioner shall reserve from the amount not reserved pursuant to paragraph (3) of this subsection such amount as may be necessary, but not in excess of 1 per centum thereof, for the purposes of section 732.

"DEFINITIONS; REGULATIONS

"SEC. 703. (a) The following definitions shall apply to the terms used in this title: 20 USC 3223.

"(1) The term 'limited English proficiency' when used with reference to individuals means—

"(A) individuals who were not born in the United States or whose native language is a language other than English,

"(B) individuals who come from environments where a language other than English is dominant, as further defined by the Commissioner by regulation, and

"(C) individuals who are American Indian and Alaskan Native students and who come from environments where a language other than English has had a significant impact on their level of English language proficiency, subject to such regulations as the Commissioner determines to be necessary;

and, by reason thereof, have sufficient difficulty speaking, reading, writing, or understanding the English language to deny such individuals the opportunity to learn successfully in classrooms where the language of instruction is English.

"(2) The term 'native language,' when used with reference to an individual of limited English proficiency, means the language normally used by such individuals, or in the case of a child, the language normally used by the parents of the child.

"(3) The term 'low-income' when used with respect to a family means an annual income for such a family which does not exceed the poverty level determined pursuant to section 111(c)(2) of title I of the Elementary and Secondary Education Act of 1965. *Ante*, p. 2153.

"(4)(A) The term 'program of bilingual education' means a program of instruction, designed for children of limited English proficiency in elementary or secondary schools, in which, with respect to the years of study to which such program is applicable—

"(i) there is instruction given in, and study of, English and, to the extent necessary to allow a child to achieve competence in the English language, the native language of the children of limited English proficiency, and such instruction is given with appreciation for the cultural heritage of such children, and of other children in American society, and, with respect to elementary and secondary school instruction, such instruction shall, to the extent necessary, be in all courses or subjects of study which will allow a child to progress effectively through the educational system; and

"(ii) the requirements in subparagraphs (B) through (F) of this paragraph and established pursuant to subsection (b) of this section are met.

"(B) In order to prevent the segregation of children on the basis of national origin in programs assisted under this title, and in order to broaden the understanding of children about languages and cultural heritages other than their own, a program of bilingual instruction may include the participation of children whose language is English, but in no event shall the percentage of such children exceed 40 per centum. The objective of the program shall be to assist children of limited English proficiency to improve their English language skills, and the participation of other children in the program must be for the principal purpose of contributing to the achievement of that objective. The program may provide for centralization of teacher training and curriculum development, but it shall serve such children in the schools which they normally attend.

"(C) In such courses or subjects of study as art, music, and physical education, a program of bilingual education shall make provision for the participation of children of limited English proficiency in regular classes.

"(D) Children enrolled in a program of bilingual education shall, if graded classes are used, be placed, to the extent practicable, in classes with children of approximately the same age and level of educational attainment. If children of significantly varying ages or levels of educational attainment are placed in the same class, the program of bilingual education shall seek to insure that each child is provided with instruction which is appropriate for his level of educational attainment.

"(E) An application for a program of bilingual education shall—

"(i) be developed in consultation with an advisory council, of which a majority shall be parents and other representatives of children of limited English proficiency, in accordance with criteria prescribed by the Commissioner;

"(ii) be accompanied by documentation of such consultation and by the comments which the Council makes on the application; and

"(iii) contain assurances that, after the application has been approved, the applicant will provide for the continuing consultation with, and participation by, the committee of parents, teachers, and other interested individuals (of which a majority shall be parents of children of limited English proficiency) which shall be selected by and predominantly composed of parents of children

participating in the program, and in the case of programs carried out in secondary schools, representatives of the secondary students to be served.

"(F) Parents of children participating in a program of bilingual education shall be informed of the instructional goals of the program and the progress of their children in such program.

"(5) The term 'Office' means the Office of Bilingual Education.

"(6) The term 'Director' means the Director of the Office of Bilingual Education.

"(7) The term 'Council' means the National Advisory Council on Bilingual Education.

"(8) The term 'other programs for persons of limited English proficiency' when used in sections 731 and 732 means any programs within the Office of Education directly involving bilingual education activities serving persons of limited English proficiency, such as the program authorized by section 708(c) of the Emergency School Aid Act, as in effect for fiscal year 1979, section 608(a)(4) of this Act for subsequent fiscal years, and the programs carried out in coordination with the provisions of this title pursuant to section 122(a)(4)(C) and part J of the Vocational Education Act of 1963, and section 306(a)(11) of the Adult Education Act, and programs and projects serving areas with high concentrations of persons of limited English proficiency pursuant to sections 6(b)(4) of the Library Services and Construction Act.

20 USC 1607.

20 USC 2332.
Post, p. 2357.
20 USC 351d.

"(b) The Commissioner, after receiving recommendations from State and local educational agencies and groups and organizations involved in bilingual education, shall establish, publish, and distribute, with respect to programs of bilingual education, suggested models with respect to pupil-teacher ratios, teacher qualifications, and other factors affecting the quality of instruction offered in such programs.

Suggested model programs.

"(c) In prescribing regulations under this section, the Commissioner shall consult with State and local educational agencies, appropriate organizations representing parents and children of limited English proficiency, and appropriate groups and organizations representing teachers and educators involved in bilingual education.

"PART A—FINANCIAL ASSISTANCE FOR BILINGUAL EDUCATION PROGRAMS

"BILINGUAL EDUCATION PROGRAMS

"SEC. 721. (a) Funds available for grants under this part shall be used for—

20 USC 3231.

"(1) the establishment, operation, and improvement of programs of bilingual education;

"(2) auxiliary and supplementary community and educational activities designed to facilitate and expand the implementation of programs described in clause (1), including such activities as (A) adult education programs related to the purposes of this title, particularly for parents of children participating in programs of bilingual education, and carried out, where appropriate, in coordination with programs assisted under the Adult Education Act, and (B) preschool programs preparatory and supplementary to bilingual education programs;

"(3)(A) the establishment, operation, and improvement of training programs for personnel preparing to participate in, or

personnel participating in, the conduct of programs of bilingual education and (B) auxiliary and supplementary training programs, which shall be included in each program of bilingual education, for personnel preparing to participate in, or personnel participating in, the conduct of such programs; and

"(4) planning, and providing technical assistance for, and taking other steps leading to the development of, such programs.

Grant applications.

"(b)(1) A grant may be made under this section only upon application therefore by one or more local educational agencies or by an institution of higher education, including a junior or community college, applying jointly with one or more local educational agencies (or, in the case of a training activity described in clause (3)(B) of subsection (a) of this section, by eligible applicants as defined in section 723). Each such application shall be made to the Commissioner at such time, in such manner, and containing such information as the Commissioner deems necessary, and

"(A) include a description of the activities set forth in one or more of the clauses of subsection (a) which the applicant desires to carry out; and

"(B) provide evidence that the activities so described will make substantial progress toward making programs of bilingual education available to the children having need thereof in the area served by the applicant.

"(2)(A) No order to submit an application in preparation for termination of assistance shall be issued to any local educational agency which shows adequate progress in meeting the goals of this title and which demonstrates a clear fiscal inability to carry on a program without such assistance, if—

"(i) there is a continuing presence of a substantial number of students of limited English proficiency in a program under this title in such school or group of schools;

"(ii) there has been a recent, substantial increase in the number of students of limited English proficiency who have enrolled in such program; or

"(iii) there is an obligation of the local educational agency in which such school or group of schools is located to initiate compliance with an order of a court of the United States or of any State respecting services to be provided for those children, or a plan approved by the Secretary as adequate under title VI of the Civil Rights Act of 1964 with respect to services to be provided for those children.

42 USC 2000d.

"(B) The Commissioner, after review of program operations by each local educational agency, may, on the basis of a finding, after notice and opportunity for a hearing, that a school or group of schools of such an agency does not have a long-term need for continued assistance under this title issue an order to such agency to prepare and submit within one year a revised application setting forth a schedule under which such school or group will cease receiving such assistance in the fifth year following the year of issuance of such order. Projects and activities for which funds were available prior to October 1, 1978, may continue to receive assistance under this part through September 30, 1983. The amount made available for the third, fourth, or fifth year of any such project or activity after the year of issuance of such an order shall be reduced in accordance with criteria established by the Commissioner designed to ensure the gradual assumption by the applicant of the costs of projects and activities assisted under this title.

"(C) The Commissioner shall annually review conditions in any school or group of schools for which an order has been issued under subparagraph (B), and shall suspend and withdraw any order issued under subparagraph (B) if, after such order has gone into effect, one or more of the conditions described in subparagraph (A) occurs, and shall permit the local educational agency involved to revise its application in the light of such conditions. Annual review.

"(D) Any order issued pursuant to subparagraph (B) shall be subject to review by the Commissioner if such review is sought within 60 days of the issuance of such order.

"(3) An application for a grant under this part may be approved only if— Grant applications, approval criteria.

"(A) the provision of assistance proposed in the application is consistent with criteria established by the Commissioner, after consultation with the State educational agency, for the purpose of achieving an equitable distribution of assistance under this part within the State in which the applicant is located, which criteria shall be developed by his taking into consideration (i) the geographic distribution of children of limited English proficiency, (ii) the relative need of persons in different geographic areas within the State for the kinds of services and activities described in subsection (a), (iii) with respect to grants to carry out programs described in clauses (1) and (2) of subsection (a) of section 721, the relative ability of particular local educational agencies within the State to provide such services and activities, and (iv) with respect to such grants, the relative numbers of persons from low-income families sought to be benefited by such programs;

"(B) in the case of applications from local educational agencies to carry out programs of bilingual education under subsection (a)(1), the Commissioner determines that the applicant shall expend adequate funds for purposes of such programs for auxiliary and supplementary training programs in accordance with the provisions of subsection (a)(3)(B) and section 723;

"(C) the Commissioner determines—

"(i) that the program will use the most qualified available personnel, including only those personnel who are proficient in the language of instruction and in English, to the extent possible, and the best resources, and will substantially increase the educational opportunities for children of limited English proficiency in the area to be served by the applicant;

"(ii) that in designing the program for which application is made, the needs of the children in nonprofit private elementary and secondary schools have been taken into account through consultation with appropriate private school officials; and consistent with the number of such children enrolled in such schools in the area to be served whose educational needs are of the type and whose language and grade levels are of a similar type which the program is intended to address, after consultation with appropriate private school officials, provision has been made for the participation of such children on a basis comparable to that provided for public school children; and

(iii) that the program includes a plan for evaluation consistent with guidelines prescribed by the Commissioner;

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"(D) the State educational agency has been notified of the application and has been given the opportunity to offer recommendations thereon to the applicant and to the Commissioner;

"(E) the Commissioner determines that the assistance provided under the application will contribute toward building the capacity of the applicant to provide a program of bilingual education on a regular basis which will be of sufficient size, scope, and quality to promise significant improvement in the education of children of limited English proficiency, and that the applicant will have the resources and commitment to continue the program when assistance under this title is reduced or no longer available;

"(F) the program of bilingual education for which assistance is sought will (i) serve those children most in need of assistance under this title, (ii) provide measurable goals for determining when those children no longer need such assistance, and (iii) provide, from State and local sources, for necessary followup services to sustain the achievement of the children after they have left the program, except that if any child is enrolled in a bilingual program assisted under this title for two years, that child shall have an individual evaluation establishing the need for continued services;

"(G) Federal funds made available for the project or activity will be so used as to supplement the level of State and local funds that, in the absence of those Federal funds, would have been expended for special programs for children of limited English proficiency and in no case to supplant such State and local funds, except that nothing in this clause shall (i) preclude a local education agency from using funds under this title for activities carried out under an order of a court of the United States or of any State respecting services to be provided such children, or to carry out a plan approved by the Secretary as adequate under title VI of the Civil Rights Act of 1964 with respect to services to be provided such children, or (ii) authorize any priority or preference to be assigned by the Commissioner to the funding of the activities under this title; and

42 USC 2000d.

"(H) the applicant demonstrates that, to the extent possible, personnel recruited and employed to carry out projects and activities under this title are bilingual.

Assistance, priorities.

"(4) In the consideration of initial applications from local educational agencies to carry out programs of bilingual education under paragraph (1) of this subsection, the Commissioner shall give priority to applications from local educational agencies which are located in various geographical regions of the Nation and which propose to asssist children of limited English proficiency who have historically been underserved by programs of bilingual education, taking into consideration the relative numbers of such children in the schools of such local educational agencies and the relative need for such programs. In approving such applications, the Commissioner shall, to the extent feasible, allocate funds appropriated in proportion to the geographical distribution of children of limited English proficiency throughout the Nation, with due regard for the relative ability of particular local educational agencies to carry out such programs and the relative numbers of persons from low-income families sought to be benefited by such programs.

"(5)(A) Upon an application from a State educational agency, the Commissioner shall make provision for the submission and approval of a State program for the coordination by such State agency of technical assistance to programs of bilingual education in such State assisted under this title. Such State program shall contain such provisions, agreements, and assurances as the Commissioner shall, by regulation, determine necessary and proper to achieve the purposes of this title, including assurances that funds made available under this section for any fiscal year will be so used as to supplement, and to the extent practical, increase the level of funds that would, in the absence of such funds, be made available by the State for the purposes described in this section, and in no case to supplant such funds. State coordination programs.

"(B) Except as provided in the second sentence of this subparagraph, the Commissioner shall pay from the amounts authorized for these purposes pursuant to section 702 for each fiscal year to each State educational agency which has a State program submitted and approved under subparagraph (A) such sums as may be necessary for the proper and efficient conduct of such State program. The amount paid by the Commissioner to any State educational agency under the preceding sentence for any fiscal year shall not exceed 5 per centum of the aggregate of the amounts paid under this part to local educational agencies in the State of such State educational agency in the fiscal year preceding the fiscal year in which this limitation applies.

"(c) In determining the distribution of funds under this title, the Commissioner shall give priority to areas having the greatest need for programs assisted under this title.

"(d) Programs of bilingual education under this title in the Commonwealth of Puerto Rico may, notwithstanding any other provision of this title, include programs of instruction, teacher training, curriculum development, and evaluation and testing designed to improve the English proficiency of children, and may also make provision for serving the needs of students of limited proficiency in Spanish.

"(e)(1) An application of a local educational agency for assistance under this title may cover a period of from one to three years. A new application shall be required for any assistance under this title for years subsequent to such period. The Commissioner shall base the decision as to the length of time for which an application will be approved on— Duration of assistance.

"(A) the severity of the problems addressed by the program for which assistance is being sought;

"(B) the nature of the activities proposed in the application;

"(C) the likely duration of the problems addressed by the application; and

"(D) such other criteria, established by the Commissioner, as will assure the most effective use of the available funds in achieving the purposes of this title.

"(2) If the Commissioner approves an application of a local educational agency under this title for a period covering more than one fiscal year, no subsequent application shall be required from such agency in any fiscal year during such period unless the agency proposes to carry out, in any such fiscal year, activities not included in the approved application. Payments to any such agency for any fiscal year subsequent to the first fiscal year for which the application has been approved shall be made only if—

"(A) sufficient appropriations are available for making payments in each such subsequent fiscal year;

"(B) the Commissioner determines that the agency is not ineligible for assistance under this title in each subsequent fiscal year; and

"(C) the agency demonstrates, by such means as the Commissioner may prescribe, that satisfactory progress is being made toward achieving the objectives of the program for which assistance has been made available under this title, including objectives of section 703(a)(4)(E)(iii) and section 703(a)(4)(F).

"(f) If the Commissioner determines that an applicant for assistance under this title is unable or unwilling to provide for the participation in the program for which assistance is sought of children of limited English proficiency enrolled in nonprofit, nonpublic schools, as required by paragraph (3)(C)(ii) of subsection (b), the Commissioner shall—

"(1) withhold approval of such application until the applicant demonstrates that it is in compliance with those requirements; or

"(2) reduce the amount of the grant to such applicant by the amount which is required for the Commissioner to arrange (such as through a contract with a nonprofit, nonsectarian agency, organization, or institution) to assess the needs of the children in the area to be served for a program of bilingual instruction and to carry out such a program for the children.

"INDIAN CHILDREN IN SCHOOLS

20 USC 3232.

"SEC. 722. (a) For the purpose of carrying out programs under this part for individuals served by elementary and secondary schools operated predominantly for Indian children, a nonprofit institution or organization of the Indian tribe concerned which operates any such school and which is approved by the Commissioner for the purposes of this section may be considered to be a local educational agency as such term is used in this title.

"(b) From the sums appropriated pursuant to section 702(b), the Commissioner is authorized to make payments to the applicants to carry out programs of bilingual education for Indian children on reservations served by elementary and secondary schools operated or funded by the Bureau of Indian Affairs.

Report to Congress and President.

"(c) The Assistant Secretary of the Interior for the Bureau of Indian Affairs shall submit to the Congress, the President, and the Commissioner, by September 30, 1980, an assessment of the needs of Indian children with respect to the purposes of this title in schools operated or funded by the Department of the Interior, including those tribes and local educational agencies receiving assistance under the Johnson-O'Malley Act (25 U.S.C. 452 et seq.) and an assessment of the extent to which such needs are being met by funds provided to such schools for educational purposes through the Secretary of the Interior.

"TRAINING

20 USC 3233.

"SEC. 723. (a)(1) In carrying out the provisions of clauses (1) and (3) of subsection (a) of section 721, with respect to training, the Commissioner shall, through grants to, and contracts with, eligible applicants, as defined in subsection (b), provide for—

"(A)(i) training, carried out in coordination with any other programs training auxiliary educational personnel, designed (I) to prepare personnel to participate in, or for personnel participating in, the conduct of programs of bilingual education, including programs emphasizing opportunities for career development, advancement, and lateral mobility, (II) to train teachers, administrators, counselors, paraprofessionals, teacher aides, and parents, and (III) to train persons to teach and counsel such persons, and (ii) special training programs designed (I) to meet individual needs, and (II) to encourage reform, innovation, and improvement in applicable education curricula in graduate education, in the structure of the academic profession, and in recruitment and retention of higher education and graduate school facilities, as related to bilingual education; and

"(B) the operation of short-term training institutes designed to improve the skills of participants in programs of bilingual education in order to facilitate their effectiveness in carrying out responsibilities in connection with such programs.

Teacher's training for bilingual education, fellowships.

"(2) In addition the Commissioner is authorized to award fellowships for study in the field of training teachers for bilingual education. For the fiscal year ending June 30, 1975, not less than 100 fellowships leading to a graduate degree shall be awarded under the preceding sentence for preparing individuals to train teachers for programs of bilingual education. Such fellowships shall be awarded in proportion to the need for teachers of various groups of individuals with limited English proficiency. For each fiscal year after June 30, 1975, and prior to October 1, 1983, the Commissioner shall report to the Committee on Education and Labor of the House of Representatives and the Committee on Human Resources of the Senate on the number of fellowships in the field of training teachers for bilingual education which he recommends will be necessary for that fiscal year.

Report to congressional committees.

"(3) The Commissioner shall include in the terms of any arrangement described in paragraphs (1) and (2) of subsection (a) of this section provisions for the payment, to persons participating in training programs so described, of such stipends (including allowances for subsistence and other expenses for such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

Grants and contracts.

"(4) In making grants or contracts under this section, the Commissioner shall give priority to eligible applicants with demonstrated competence and experience in the field of bilingual education. Funds provided under grants or contracts for training activities described in this section to or with a State educational agency, separately or jointly, shall in no event exceed in the aggregate in any fiscal year 15 per centum of the total amount of funds obligated for training activities pursuant to clauses (1) and (3) of subsection (a) of section 721 in such year.

Study.

"(5) The Commissioner shall undertake an ongoing longitudinal study of the impact of recipients of such fellowships on the field of bilingual education, and shall disseminate research undertaken by recipients of such fellowships.

"(6) Any person receiving assistance under this subsection shall agree either to repay such assistance or to work for a period equivalent to the period of time during which such person received assistance, and such work shall be in an activity related to the training of teachers

and related personnel of bilingual education, as further determined by the Commissioner through regulations. The Commissioner may waive this requirement in extraordinary circumstances.

Regulations.

"(7) The Commissioner shall issue regulations specifying such activities as shall constitute training under this section and section 721 (a)(3)(B).

"(8) An application for a grant or contract for preservice or inservice training activities described in clause (A)(i)(I) and clause (A)(ii)(I) and in subsection (a)(1)(B) of this section shall be considered an application for a program of bilingual education for the purposes of subsection (a)(4)(E) of section 703.

"Eligible applicants."

"(b) For the purposes of this section, the term 'eligible applicants' means—

"(1) institutions of higher education (including junior colleges and community colleges) and private nonprofit organizations which apply, after consultation with, or jointly with, one or more local educational agencies or a State educational agency;

"(2) local educational agencies; and

"(3) State educational agencies.

"PART B—ADMINISTRATION

"OFFICE OF BILINGUAL EDUCATION

Establishment. 20 USC 3241.

"SEC. 731. (a) There shall be, in the Office of Education, an Office of Bilingual Education (hereafter in this section referred to as the 'Office') through which the Commissioner shall carry out his functions relating to bilingual education.

Director.

"(b)(1) The Office shall be headed by a Director of Bilingual Education, appointed by the Commissioner, to whom the Commissioner shall delegate all of his delegable functions relating to bilingual education. The Director shall also be assigned responsibility for coordinating the bilingual education aspects of other programs administered by the Commissioner.

"(2) The Office shall be organized as the Director determines to be appropriate in order to enable him to carry out his functions and responsibilities effectively.

Report to Congress and President.

"(c) The Commissioner, in consultation with the Council, shall prepare and, not later than February 1, 1980, 1982, and 1984, shall submit to the Congress and the President a report on the condition of bilingual education in the Nation and the administration and operation of this title and of other programs for persons of limited English proficiency. Such report shall include—

"(1) a national assessment of the educational needs of children and other persons with limited English proficiency and of the extent to which such needs are being met from Federal, State, and local efforts, including (A) not later than October 1, 1977, the results of a survey of the number of such children and persons in the States, and (B) a plan, including cost estimates, to be carried out during the five-year period beginning on such date, for extending programs of bilingual education and bilingual vocational and adult education programs to all such preschool and elementary school children and other persons of limited English proficiency, including a phased plan for the training of the necessary teachers and other educational personnel necessary for such purpose;

"(2) a report on and an evaluation of the activities carried out under this title during the preceding fiscal year and the extent to which each of such activities achieves the policy set forth in section 702(a);

"(3) a statement of the activities intended to be carried out during the succeeding period, including an estimate of the cost of such activities;

"(4) an assessment of the number of teachers and other educational personnel needed to carry out programs of bilingual education under this title and those carried out under other programs for persons of limited English proficiency and a statement describing the activities carried out thereunder designed to prepare teachers and other educational personnel for such programs, and the number of other educational personnel needed to carry out programs of bilingual education in the States and a statement describing the activities carried out under this title designed to prepare teachers and other educational personnel for such programs;

"(5) a description of the personnel, the functions of such personnel, and information available at the regional offices of the Department of Health, Education, and Welfare dealing with bilingual programs within that region; and

"(6) an estimate of the number of fellowships in the field of training teachers for bilingual education which will be necessary for the two succeeding fiscal years.

Study. Report to President and Congress.

The Commissioners shall conduct a study on the extent of the need for these programs in the Commonwealth of Puerto Rico, and shall report the results thereof, together with recommendations, to the President and Congress not later than eighteen months after the enactment of the Education Amendments of 1978.

Bilingual education program models. Publication in Federal Register.

"(d) The Commissioner shall, within six months after the date of the enactment of the Education Amendments of 1978, develop and publish in the Federal Register (1) models for programs of bilingual education which may include suggested teacher-pupil ratios, teacher qualifications, and other factors affecting the quality of instruction offered, and which shall represent a variety of types of such programs, and (2) models for the evaluation of such programs as to the progress made by participants therein attaining English language skills.

Report to Congress and the President.

"(e)(1) The Secretary, in consultation with the Council, shall prepare and, not later than September 30, 1980, submit to the Congress and the President a report identifying the approximate number of children of limited English proficiency in the Nation, by language and by State.

"(2) By September 30, 1980, the Secretary shall develop methods for identifying children of limited English proficiency who are in need of bilingual education programs.

"(3) By September 30, 1980, the Secretary shall develop evaluation and data gathering models, which take into account linguistic and cultural differences of the child, which consider the availability and the operations of State programs for such children, and shall include allowances for variables which are applicable to programs under this title such as pupil-teacher ratios, teacher qualifications, length of the program, hours of instruction, percentage of children in the classroom who are English dominant and the percentage who have limited English proficiency.

Report to President and Congress.

"(f) The Secretary shall prepare and submit to the President and to the Congress not later than December 31, 1981, a report setting forth recommendations on the methods of converting, not later than July 1, 1984, the bilingual education program from a discretionary grant program to a formula grant program to serve students of limited English proficiency and recommendations on whether or not such conversion would best serve the needs of such students. The study required by this subsection shall consider the findings of other studies required to be made under this section, and shall include cost estimates for the phasing in of the formula grant program.

"(g) In order to maximize Federal efforts aimed at serving the educational needs of children of limited English proficiency, the Commissioner shall coordinate and closely cooperate with other programs administered by the Office of Education, including such areas as teacher training, program content, research, and curriculum. The Commissioner's annual report under subsection (c) shall include demonstration that such coordination has taken place.

"(h) The Commissioner shall insure that the Office of Bilingual Education is staffed with sufficient personnel trained, or with experience in, bilingual education to discharge effectively the provisions of this title.

"NATIONAL ADVISORY COUNCIL ON BILINGUAL EDUCATION

Establishment.
20 USC 3242.
20 USC 1233.

"SEC. 732. (a) Subject to part D of the General Education Provisions Act, there shall be a National Advisory Council on Bilingual Education composed of fifteen members appointed by the Secretary, one of whom he shall designate as Chairman. At least eight of the members of the Council shall be persons experienced in dealing with the educational problems of children and other persons who are of limited English proficiency, at least one of whom shall be representative of persons serving on boards of education operating programs of bilingual education. At least two members shall be experienced in the training of teachers in programs of bilingual education. At least two members shall be persons with general experience in the field of elementary and secondary education. At least two members shall be classroom teachers of demonstrated teaching abilities using bilingual methods and techniques. The Council shall also include at least two parents of students whose language is other than English and at least one State educational agency representative and one member at large. The members of the Council shall be appointed in such a way as to be generally representative of the significant segments of the population of persons of limited English proficiency and the geographic areas in which they reside. Subject to section 448(b) of the General Education Provisions Act, the Advisory Committee shall continue to exist until October 1, 1983.

20 USC 1233g.

"(b) The Council shall meet at the call of the Chairman, but, notwithstanding the provisions of section 446(a) of the General Education Provisions Act, not less often than four times in each year.

20 USC 1233e.

"(c) The Council shall advise the Commissioner in the preparation of general regulations and with respect to policy matters arising in the administration and operation of this title, including the development of criteria for approval of applications, and plans under this title, and the administration and operation of other programs for persons of limited English proficiency. The Council shall prepare

Report to Congress and President.

and, not later than March 31 of each year, submit a report to the Congress and the President on the condition of bilingual education in the Nation and on the administration and operation of this title, including those items specified in section 731(c), and the administration and operation of other programs for persons of limited English proficiency.

"(d) The Commissioner shall procure temporary and intermittent services of such personnel as are necessary for the conduct of the functions of the Council, in accordance with section 445, of the General Education Provisions Act, and shall make available to the Council such staff, information, and other assistance as it may require to carry out its activities effectively.

Temporary and intermittent personnel.
20 USC 1233d.

"PART C—SUPPORTIVE SERVICES AND ACTIVITIES

"ADMINISTRATION

"SEC. 741. (a) The provisions of this part shall be administered by the Assistant Secretary, in consultation with—

20 USC 3251.

"(1) the Commissioner, through the Office of Bilingual Education; and

"(2) the Director of the National Institute of Education, notwithstanding the second sentence of section 405(b)(1) of the General Education Provisions Act;

20 USC 1221e.

in accordance with regulations.

"(b) The Assistant Secretary shall, in accordance with clauses (1) and (2) of subsection (a), develop and promulgate the regulations for this part and then delegate his functions under this part, as may be appropriate under the terms of section 742.

Regulations.

"BILINGUAL EDUCATION RESEARCH AND DEVELOPMENT

"SEC. 742. (a)(1) The Commissioner shall, through competitive contracts under this section, provide financial assistance for research and development proposals submitted by institutions of higher education, private and non-profit organizations, State educational agencies, and individuals.

Financial assistance.
20 USC 3252.

"(2) The National Institute of Education, after consultation with the Office of Bilingual Education, shall carry out a program of research in the field of bilingual education in order to enhance the effectiveness of bilingual education carried out under this title and other programs for persons who have language proficiencies other than English.

"(3) The Assistant Secretary shall coordinate research activities of the National Institute of Education, with the Office of Bilingual Education, the National Center for Education Statistics, and other appropriate agencies, in order to develop a national research program for bilingual education.

National research program, coordination.

"(b) Research activities authorized to be assisted under this section shall include—

"(1) studies to determine and evaluate effective models for bilingual-bicultural programs;

"(2) studies to determine (A) language acquisition characteristics and (B) the most effective method of teaching English within the context of a bilingual-bicultural program to students who have language proficiencies other than English;

"(3) a five-year longitudinal study in order to measure the effect of this title on the education of students who have language proficiencies other than English;

"(4) studies to determine the most effective and reliable methods of identification of students who should be entitled to services under this title;

"(5) the operation of a clearinghouse on information for bilingual education, which shall collect, analyze, and disseminate information about bilingual education and such related programs;

"(6) studies to determine the most effective methods of teaching reading to children and adults who have language proficiencies other than English;

"(7) studies to determine the effectiveness of teacher training preservice and inservice programs funded under this title;

"(8) studies to determine the critical cultural characteristics of selected groups of individuals assisted under this title for purposes of teaching about culture in the program.

"(c) In carrying out their responsibilities under this section, the Commissioner and the Director of the National Institute of Education shall provide for periodic consultation with representatives of State and local educational agencies and appropriate groups and organizations involved in bilingual education.

Research request proposals, publication and dissemination.

"(d) The Assistant Secretary shall publish and disseminate all requests for proposals in research and development assisted under this title.

"(e) The Commissioner and the Director of the National Institute of Education shall, through competitive contracts with appropriate public agencies and private institutions and organizations, develop and disseminate instructional materials and equipment suitable for bilingual education programs. The quality of materials developed pursuant to this subsection shall be comparable to the quality of materials provided in classrooms for English dominant children. In the development of instructional materials for the purpose of this subsection, the availability of materials already in existence from private and public sources shall be taken into account, and special attention shall be given to language groups for whom private organizations are unlikely to develop such materials.

Appropriation authorization.

"(f) There is authorized to be appropriated for the fiscal year 1979 and for each succeeding fiscal year ending prior to October 1, 1983, $20,000,000 to carry out the provisions of this section.

"PART D—CONTINUED BILINGUAL EDUCATION ASSISTANCE

"ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES ELIGIBLE UNDER THE EMERGENCY SCHOOL AID ACT

Grants and contracts.
20 USC 3261.

"SEC. 751. (a)(1) The Commissioner, from funds appropriated under subsection (c), shall carry out a program to meet the needs of minority group children (as such term is defined for purposes of title VI) who are from an environment in which a dominant language is other than English and who, because of language barriers and cultural differences, do not have equality of educational opportunity. The Commissioner shall, for fiscal year 1980, allot to each local educational agency an amount which bears the same ratio to such funds as the amount such agency received under section 708(c) of the Emergency

School Aid Act for fiscal year 1979, bears to the total amount of funds available under such section. From such allotment the Commissioner is authorized to make grants to and contracts with— 20 USC 1607.

"(A) private nonprofit agencies, institutions, and organizations to develop curricula, at the request of one or more local educational agencies which are eligible for assistance under section 606 of this Act, designed to meet the special educational needs of minority group children who are from environments in which a dominant language is other than English, for the development of reading, writing, and speaking skills, in the English language and in the language of their parents or grandparents, and to meet the educational needs of such children and their classmates to understand the history and cultural background of the minority groups of which such children are members; *Ante*, p. 2254.

"(B) local educational agencies which are eligible for assistance under such section 606 for the purpose of engaging in such activities; or

"(C) local educational agencies which are eligible to receive assistance under such section 606, for the purpose of carrying out activities to implement curricula developed under clauses (A) and (B) or curricula otherwise developed which the Commissioner determines meets the purposes stated in clause (A).

In making grants and contracts under this paragraph, the Commissioner shall assure that sufficient funds remain available to provide for grants and contracts under clause (C) of this paragraph for implementation of such curricula as the Commissioner determines meet the purposes stated in clause (A) of this paragraph. In making a grant or contract under clause (C) of this paragraph the Commissioner shall take whatever action is necessary to assure that the implementation plan includes provisions adequate to ensure training of teachers and other ancillary educational personnel and meets the requirements of section 721(b)(3)(C)(ii).

"(2)(A) In order to be eligible for a grant or contract under this subsection—

"(i) a local educational agency must establish a program or project committee meeting the requirements of subparagraph (B), which will fully participate in the preparation of the application under this subsection and in the implementation of the program or project and join in submitting such application; and

"(ii) a private nonprofit agency, institution, or organization must (I) establish a program or project board of not less than ten members which meets the requirements of subparagraph (B) and which shall exercise policymaking authority with respect to the program or project, and (II) have demonstrated to the Commissioner that it has the capacity to obtain the services of adequately trained and qualified staff.

"(B) A program or project committee or board, established pursuant to subparagraph (A), must be broadly representative of parents, school officials, teachers, and interested members of the community or communities to be served, not less than half of the members of which shall be parents and not less than half of the members of which shall be members of the minority group the educational needs of which the program or project is intended to meet.

"(3) All programs or projects assisted under this subsection shall be specifically designed to complement any programs or projects car-

Ante, p. 2254.

ried out by the local educational agency under section 606 of the Act. The Commissioner shall insure that programs of Federal financial assistance related to the purposes of this subsection are coordinated and carried out in a manner consistent with the provisions of this subsection, to the extent consistent with other law.

"(b) All programs or projects assisted under subsection (a) shall be part of a program of bilingual-bicultural education.

Appropriation authorization.

"(c) There are authorized to be appropriated to carry out subsection (a) $15,000,000 for fiscal year 1980, $20,000,000 for fiscal year 1981, $25,000,000 for fiscal year 1982, and $30,000,000 for fiscal year 1983.".

TITLE VIII—ESTABLISHMENT OF A NEW TITLE VIII AND A NEW TITLE IX OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

COMMUNITY EDUCATION PROGRAM AUTHORIZED

SEC. 801. The Act is amended by—

(1) redesignating title VIII and all references thereto as title IX;

20 USC 881, 883, 884, 885, 887c, 887e, 3381 to 3386.

(2) redesignating sections 801, 803(c), 804, 805, 810, and 812, as sections 1001, 1002, 1003, 1004, 1005, and 1006, respectively; and

(3) inserting after title VII the following new title:

"TITLE VIII—COMMUNITY SCHOOLS

Community Schools and Comprehensive Community Education Act of 1978.

"SHORT TITLE

20 USC 3281.

"SEC. 801. This title may be cited as the 'Community Schools and Comprehensive Community Education Act of 1978'.

"STATEMENT OF FINDINGS AND POLICY

20 USC 3282.

"SEC. 802. (a) The Congress finds that—

"(1) the school is an integral part of the local human service delivery system;

"(2) the school is a primary institution for the delivery of services and may be the best instrument for the coordination of frequently fragmented services, including benefits obtained by energy savings and parental involvement in the delivery of such services;

"(3) community education promotes a more efficient use of public education facilities through an extension of school buildings and equipment;

"(4) as the primary educational institution of the community, the school is most effective when it involves the people of that community in a program to fulfill the educational needs of individuals of the community; and

"(5) community schools provide a great potential for the use of needs assessment as a basis for human resources policies.

"(b) It is the purpose of this title—

"(1) to provide in collaboration with other public and nonprofit agencies educational, recreational, cultural, and other related community and human services, in accordance with the

needs, interests, and concerns of the community through the expansion of community education programs;

"(2) to coordinate the delivery of social services to meet the needs and preferences of the residents of the community served by the school;

"(3) to provide for an efficient, energy-conserving use of school facilities; and

"(4) to provide for a research and development emphasis in community education which can contribute to an improved formulation of Federal, State, and local policy.

"DEFINITION OF COMMUNITY EDUCATION PROGRAM

"SEC. 803. For the purpose of this title, a 'community education program' means a program in which a public building, including but not limited to, a public elementary or secondary school, or a community or junior college (or a related extension center), is used as a community center operated by a local educational agency in conjunction with other groups in the community, community organizations, and local governmental agencies, to provide educational, recreational, health care, cultural, and other related community and human services for the community that the center serves in accordance with the needs, interests, and concerns of that community. 20 USC 3283.

"STATE PROGRAMS FOR COMMUNITY EDUCATION

"SEC. 804. (a) The Commissioner is authorized to make grants to State educational agencies in accordance with the provisions of this title, to pay the Federal share of the cost of planning, establishing, expanding, and operating community education programs. Grants. 20 USC 3284.

"(b) There are authorized to be appropriated to carry out the provisions of subsection (a) of this section $40,000,000 for fiscal year 1979, $50,000,000 for fiscal year 1980, $60,000,000 for fiscal year 1981, $50,000,000 for fiscal year 1982, and $40,000,000 for fiscal year 1983. Appropriation authorization.

"ALLOTMENT

"SEC. 805. (a) (1) From the funds appropriated pursuant to section 804, the Commissioner shall allot not more than 1 per centum among Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and Bureau of Indian Affairs schools, according to their respective needs. 20 USC 3285.

"(2) From the remainder of such sums the Commissioner shall allot to each State an amount which bears the same ratio to such remainder as the population of the State bears to the population of all States except that no State shall receive less than $50,000 in any fiscal year. For the purpose of this subsection, the term 'State' does not include Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

"(b) That portion of any State's allotment under subsection (a) for a fiscal year which the Commissioner determines will not be required for the period such allotment is available, for carrying out the purposes of this title, shall be available for reallotment from time to time on such date during such period as the Commissioner may fix, to other States in proportion to the original allotment to such States

under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Commissioner estimates will be needed in such State and will be used for such period for carrying out applications approved under this title, and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts are not so reduced. Any amount reallotted to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

"USE OF COMMUNITY EDUCATION PROGRAMS FOR NON-FEDERAL CONTRIBUTION IN CERTAIN FEDERAL PROGRAMS

20 USC 3286. "SEC. 806. (a) Notwithstanding any other provision of law, any State or local public agency may use the fair value of any community service program assisted under this title as part or all of the non-Federal contribution required under any program set forth in subsection (b) of this section, if—

"(1) a portion of any program set forth in subsection (b) is implemented in any building conducting a community education program assisted under this title, and

"(2) there is a necessary relationship between such portion of the program set forth in subsection (b) and any element of the community education program assisted under this title.

"(b) Programs to which subsection (a) applies are—

42 USC 201 note. "(1) the Public Health Service Act,

42 USC 2921. "(2) the Headstart-Follow Through Act,

42 USC 1397. "(3) title XX of the Social Security Act, relating to child care and day care and other services,

"(4) the youth employment demonstration programs authorized under the Comprehensive Employment and Training Act, 29 USC 801 note.

42 USC 3000 note. "(5) the Older Americans Act of 1965,

20 USC 2301 note. "(6) the Vocational Education Act of 1963,

20 USC 1201 note. "(7) the Adult Education Act,

20 USC 1001, 1135. "(8) title I and title X of the Higher Education Act of 1965, relating to community services and continuing education programs and community college programs,

42 USC 2711-2902, 2941-2996. "(9) titles I through IV and VI through IX of the Economic Opportunity Act of 1964 (also known as the Community Services Act of 1974),

42 USC 2996 note. "(10) the Legal Services Corporation Act,

42 USC 3701 note. "(11) Safe Streets and Omnibus Crime Control Act of 1968,

42 USC 1861 note. "(12) science education programs assisted under the National Science Foundation Act of 1950,

29 USC 701 note. "(13) the Rehabilitation Act of 1973, and

"(14) such other community service programs as the Assistant Secretary deems appropriate.

"USES OF FUNDS

20 USC 3287. "SEC. 807. Payments made under this title to any State educational agency and to any local educational agency, either directly by the Commissioner under section 809 or in accordance with a State plan approved under section 808, may be used by such State and local educational agencies for the Federal share of the cost of planning,

establishing, expanding, and operating community education programs including—

"(1) educational, cultural, recreational, health care, and other related community and human services, whether or not in the form of formal courses,

"(2) activities making the school or other public facilities and equipment available for use by public agencies and private nonprofit organizations, individuals and groups in the community,

"(3) preventive health, dental care, and nutrition,

"(4) special programs for particular target groups, such as older persons,

"(5) services designed to eliminate the high incidence of suspension, expulsion, and other disciplinary action involving chronically maladjusted students,

"(6) services for students who withdraw from school before completing secondary school requirements, regardless of age or time of withdrawal,

"(7) services for mentally or physically handicapped individuals or other health impaired individuals,

"(8) rehabilitation purposes for juvenile and adult offenders,

"(9) parent education for care, development, and education of handicapped children,

"(10) training programs in institutions of higher education for the purpose of assisting full-time training for personnel who are engaged in or who intend to engage in community education programs,

"(11) specialized high schools or schools within schools organized around particular interests such as the arts, or using flexible scheduling and summer learning programs to take into account special needs of students, or creating interrelationships between secondary schools and such community resources as museums, cultural centers, and institutions of higher education,

"(12) development of means to use technology to improve the relationship between the school, the home, and community resources such as libraries, museums, and cultural centers,

"(13) early childhood and family education grants for programs operated by State and local education agencies and public and private, nonprofit agencies or organizations for children below age six, which may include identification of potential barriers to learning, education of parents in child development, family services, education for parenthood programs and referral services, and

"(14) leisure education.

"STATE PLAN

"SEC. 808. (a) Any State desiring to participate in the program authorized by this title shall submit through its State educational agency to the Commissioner a plan, in such detail as the Commissioner deems necessary. Each such plan shall provide satisfactory assurance— 20 USC 3288.

"(1) that payments made under this title will be used for community education programs described in section 807, and to the extent practicable such payments will be used to expand community education programs of the schools of local educational agencies within the State;

"(2) that provide, after consultation with the appropriate State agencies, the State will develop a ten-year plan for the coordination of education programs with all relevant community services, including but not limited to State and local recreation authorities and associations;

"(3) that 80 per centum of the amounts received by the State from its allotment will be distributed among local educational agencies within the State with due regard for such factors as the size of the population to be served by the community education program of the local educational agency;

"(4) that community education programs assisted under this part will, to the extent feasible, serve all age groups within the community, including preschool children, children and youth in school, out of school youths, adults, and senior citizens as well as groups in the community with special needs for community education program services, such as individuals with limited speaking ability, mentally and physically handicapped individuals, and other health impaired individuals;

"(5) that the community education program will include procedures for the systematic and effective identification and documentation of the needs and concerns of the community;

"(6) that the community education program will provide for the identification and use of existing educational, cultural, recreational, health care, and other resources outside the school or other public facility (including the services of volunteers) and will contain provisions to encourage the use of cooperative arrangements with public and private agencies to make the maximum use of existing resources within the community;

"(7) the community education program will provide for the active and continuous involvement on an advisory basis of institutions, groups, and individuals in the community to be served by the program and the active and continuous involvement of parents of school children in the planning, development, and implementation of programs;

"(8) that the State educational agency will establish procedures for submitting applications by local educational agencies within that State for payments under this title, for approval by the State educational agency, including appropriate procedures to assure that the State educational agency concerned will not disapprove an application of any local educational agency without notice and opportunity for a hearing;

"(9) that the State will pay from non-Federal sources the remaining cost of carrying out the State plan;

"(10) that the State educational agency, from the funds received by it under section 804 for any fiscal year, will reserve not to exceed 15 per centum of such funds for the administration of the State plan, technical assistance to local educational agencies, the conduct of conferences and dissemination activities among local educational agencies within the State and other community service agencies, the coordination between local educational agencies, community colleges, and other institutions of higher education in the State with respect to the coordination of the delivery of social services, with particular emphasis on the application of section 806 and the training and conversion activities authorized by section 812 of this title; and

"(11) that effective procedures will be adopted to evaluate the effectiveness of the community education programs assisted under this title (including where possible payments made directly under section 809).

"(b) The Commissioner shall approve a State plan which meets the requirements of subsection (a), and he shall not finally disapprove a State plan except after reasonable notice and opportunity for a hearing to the State educational agency. Notice and hearing.

"GRANTS TO LOCAL EDUCATIONAL AGENCIES

"SEC. 809. (a) The Commissioner is authorized to make grants to local educational agencies for the Federal share of the cost of planning, establishing, expanding, and operating community education programs including any use described in section 807, whenever the Commissioner determines, pursuant to an application filed under paragraph (2), that the community education program for which application is made under subsection (b) holds reasonable promise of success and is in substantial compliance with the requirements of section 808 (a) (4), (5), (6), and (7). 20 USC 3289.

"(b) No grant may be made under this section unless an application is made to the Commissioner at such time, in such manner, and containing or accompanied by such information, as the Commissioner may reasonably require.

"(c) There are authorized to be appropriated $20,000,000 for fiscal year 1979, $25,000,000 for fiscal year 1980, $30,000,000 for fiscal year 1981, $25,000,000 for fiscal year 1982, and $20,000,000 for fiscal year 1983 to carry out the provisions of this section. Appropriation authorization.

"GRANTS TO PUBLIC AGENCIES AND NONPROFIT ORGANIZATIONS FOR DELIVERY OF COMMUNITY SERVICES THROUGH COMMUNITY EDUCATION

"SEC. 810. (a) The Commissioner is authorized to make grants to and contracts with public agencies and nonprofit private organizations to encourage the use of school facilities and other facilities eligible to receive assistance under this title for the efficient and coordinated delivery of community services set forth in sections 806(b) and 807. Each such application shall contain provisions to assure that the public agency or nonprofit private organization making application has entered or will enter into contractual arrangements or other suitable forms of agreement with the local educational agency concerned. 20 USC 3290.

"(b) No grant may be made under the provisions of this section unless an application is made to the Commissioner at such time, in such manner and containing or accompanied by such information, as the Commissioner may reasonably require.

"(c) There are authorized to be appropriated $5,000,000 for fiscal year 1979, $7,000,000 for fiscal year 1980, $10,000,000 for fiscal year 1981, $7,000,000 for fiscal year 1982, and $5,000,000 for fiscal year 1983 to carry out the provisions of this section. Appropriation authorization.

"NATIONAL LEADERSHIP AND PLANNING

"SEC. 811. (a) The Assistant Secretary shall undertake certain national leadership and planning activities in order to assist the purposes of this title. Such activities include but are not limited to national 20 USC 3291.

leadership, including publications, convening of national conferences, and other dissemination activities to provide information of successful community education programs and activities.

Appropriation authorization.

"(b) There are authorized to be appropriated for fiscal year 1979 and for each fiscal year ending prior to October 1, 1983, $5,000,000 to carry out the provisions of this section.

"TRAINING OF COMMUNITY EDUCATION PERSONNEL

20 USC 3292.

"SEC. 812. (a) The Commissioner is authorized to make grants to institutions of higher education for the purpose of providing full-time and part-time training for personnel who are engaged in or who intend to engage in community education programs.

"(b)(1) No grant may be made under the provisions of this section unless an application is made at such time, in such manner, and containing or accompanied by such information as the Commissioner may reasonably require.

"(2) No grant may be entered into under the provisions of this section unless provision is made in the application for the institution of higher education to consult with appropriate State and local educational agencies.

Appropriation authorizations.

"(c) There are authorized to be appropriated $5,000,000 for fiscal year 1979, $10,000,000 for fiscal year 1980, $15,000,000 for fiscal year 1981, $10,000,000 for fiscal year 1982, and $5,000,000 for fiscal year 1983 to carry out the provisions of this section.

"RESEARCH

20 USC 3293.

"SEC. 813. (a) In conjunction with the planning activities required of the Assistant Secretary for Education under section 811 of this title, the Director of the National Institute of Education shall carry out a program of research on community education programs, from sums available under subsection (b) of this section. Such research shall include an analysis of program impact with respect to individuals and communities, the importance of parental involvement, school vandalism and violence, and the effect of non-Federal funds contributed under provisions of section 815 of this title.

Appropriation authorizations.

"(b) There are authorized to be appropriated $1,000,000 for fiscal year 1979 and for each succeeding fiscal year ending prior to October 1, 1983, to carry out the provisions of this section.

"ADMINISTRATION

20 USC 3294.

"SEC. 814. (a) The Commissioner shall establish or designate a clearinghouse to gather and disseminate information received from community education programs, including but not limited to, information regarding new programs, methods to encourage community participation, methods of formulating and conducting needs assessments, and the ways of coordinating community education programs with other community services, with particular emphasis upon the coordination of delivery of community services described in section 806(b). The Commissioner is authorized to contract with public agencies or private organizations to establish and operate the clearinghouse.

20 USC 1233.

"(b)(1) There is established, subject to part D of the General Education Provisions Act, in the Office of the Commissioner, a Community

Education Advisory Council (referred to in this section as the 'Advisory Council') to be composed of eleven members. The members of the Advisory Council shall be appointed by the Secretary, without regard to political affiliation.

"(2) A substantial number of the members of the Advisory Council shall be individuals experienced in the operation of community education programs and the training of such individuals. The Council shall include participants and consumers of community education programs.

"(3) Appointments to the Advisory Council shall be completed within three months after enactment of this title. Individuals serving in any predecessor Community Education Advisory Council may be appointed under this subsection.

"(4) The Commissioner shall make available to the Advisory Council such staff, information, and other assistance as it may require to carry out its activities.

"(5) The Advisory Council shall advise the Commissioner on policy mattters relating to the interests of community schools and the community education program authorized by this title.

"(6) The Advisory Council shall advise the National Institute of Education with respect to the research concerning community education programs, and shall advise the Office of Education with respect to the evaluation of such programs. The Council shall present to Congress a complete and thorough assessment of the programs and operation of this section for each fiscal year.

"(7) No member of the Council shall evaluate any community education program if such member is associated with that program as a consultant, technical advisor, or in any other similar capacity.

"(c) The program authorized by this part shall be under the authority of the Executive Deputy Commissioner for Educational Programs.

"(d)(1) There are authorized to be appropriated for the fiscal year 1979 and for each fiscal year ending prior to October 1, 1983, $500,000 to carry out the provisions of subsection (a) of this section. Appropriation authorizations.

"(2) There are authorized to be appropriated for fiscal year 1979 and for each succeeding fiscal year ending prior to October 1, 1983, $500,000 to carry out the provisions of subsection (b) of this section.

"(3) There are authorized to be appropriated for fiscal year 1979 and for each succeeding fiscal year ending prior to October 1, 1983, such sums, but not to exceed $1,000,000 in any fiscal year, as are necessary to provide for the administration of this title.

"FEDERAL SHARE

"SEC. 815. (a) The Federal share of the cost of the State plan approved under section 807 shall be 80 per centum for fiscal year 1979, 70 per centum for fiscal year 1980, 50 per centum for fiscal year 1981, 30 per centum for fiscal year 1982, and 20 per centum for the fiscal year 1983. 20 USC 3295.

"(b) The Federal share of the cost of applications of local educational agencies approved under section 808 shall be 90 per centum for fiscal years 1979 and 1980, 80 per centum for the fiscal year 1981 and each of the two succeeding fiscal years.

"(c) The Federal share of the cost of grants to nonprofit organizations under section 809 shall be 90 per centum for fiscal years 1979 and 1980, and 80 per centum for the fiscal year 1981 and for each of the two succeeding fiscal years.".

ADDITIONAL PROGRAMS AUTHORIZED

SEC. 802. The Act is amended by adding after title XIII, as added by section 801, the following new title:

"TITLE IX—ADDITIONAL PROGRAMS

"PART A—GIFTED AND TALENTED CHILDREN

"SHORT TITLE; PURPOSE

Gifted and Talented Children's Education Act of 1978.
20 USC 3311.

"SEC. 901. (a) This part may be cited as the 'Gifted and Talented Children's Education Act of 1978'.

"(b) The Congress hereby finds and declares that—

"(1) the Nation's greatest resource for solving critical national problems in areas of national concern is its gifted and talented children,

"(2) unless the special abilities of gifted and talented children are developed during their elementary and secondary school years, their special potentials for assisting the Nation may be lost, and

"(3) gifted and talented children from economically disadvantaged families and areas often are not afforded the opportunity to fulfill their special and valuable potentials, due to inadequate or inappropriate educational services.

"(c) It is the purpose of this part to provide financial assistance to State and local educational agencies, institutions of higher education, and other public and private agencies and organizations, to assist such agencies, institutions and organizations to plan, develop, operate, and improve programs designed to meet the special educational needs of gifted and talented children.

"DEFINITION

20 USC 3312.

"SEC. 902. For the purposes of this part, the term 'gifted and talented children' means children and, whenever applicable, youth, who are identified at the preschool, elementary, or secondary level as possessing demonstrated or potential abilities that give evidence of high performance capability in areas such as intellectual, creative, specific academic, or leadership ability, or in the performing and visual arts, and who by reason thereof, require services or activities not ordinarily provided by the school.

"AUTHORIZATION OF APPROPRIATIONS; APPORTIONMENT OF APPROPRIATIONS

20 USC 3313.

"SEC. 903. (a) For the purpose of carrying out this part there are authorized to be appropriated $25,000,000 for fiscal year 1979, $30,000,000 for fiscal year 1980, $35,000,000 for fiscal year 1981, $40,000,000 for fiscal year 1982, and $50,000,000 for fiscal year 1983.

"(b)(1) From the amounts appropriated under subsection (a) for each fiscal year, the Commissioner shall reserve 25 per centum or $5,000,000, whichever is less, for carrying out the provisions of section 905, relating to discretionary programs.

"(2) The remainder of the sums appropriated under subsection (a) for each fiscal year shall be available to carry out the provisions of section 904, relating to State programs.

"STATE PROGRAMS

"SEC. 904. (a) From the amounts available in any fiscal year under section 903(b)(2), the Commissioner shall make grants to State educational agencies for the Federal share of the cost of planning, developing, operating, and improving programs designed to meet the educational needs of gifted and talented children at the preschool, elementary, and secondary levels. Such programs may include inservice training of personnel to teach such children. 20 USC 3314.

"(b)(1) Except as provided in paragraph (2), to the extent funds are available in any fiscal year to carry out the provisions of this section, the Commissioner shall distribute funds so as to assure that each State educational agency which submits an application which fully meets all requirements of this section and is approved by the Commissioner will receive not less than $50,000 in that fiscal year. If sums appropriated for any fiscal year for making payments under this subsection are not sufficient to pay in full the amount to which each State educational agency is entitled under the previous sentence, such amounts shall be ratably reduced.

"(2) In any fiscal year in which appropriations under this part equal or exceed $15,000,000, the Commissioner shall allot the amount so appropriated in accordance with the provisions of section 906.

"(c) Each State educational agency desiring to receive a grant under this section shall submit an application at such time, in such manner and accompanied by such information as is necessary for the purposes of this section. Each such application shall contain assurances that—

"(1) funds paid to the State educational agency will be expended solely to plan, develop, operate, and improve programs and projects which—

"(A) are designed to identify the educational needs of gifted and talented children,

"(B) are of sufficient size, scope, and quality to hold reasonable promise of making substantial progress toward meeting such needs, and

"(C) give appropriate consideration to the particular educational needs of disadvantaged gifted and talented children;

"(2)(A) the State educational agency will reserve from funds made available under this section in each fiscal year not more than 10 per centum of such funds for the purpose of administration, technical assistance, coordination, and statewide planning related to programs and projects designed to meet the needs of gifted and talented children;

"(B) the State educational agency will distribute, on a competitive basis, not less than 90 per centum of the funds made available under this section for payments to local educational agencies within the State which apply to the State educational agency, with due regard for the quality of activities proposed in the application of the local educational agencies;

"(3) the State educational agency will use at least 50 per centum of the funds made available under this section for programs and projects which include a component for the identification and education of disadvantaged gifted and talented children from low-income families;

"(4) the State educational agency and the local educational agencies within the State may use funds made available under this

section to acquire instructional equipment only if such equipment will enhance the program or project for which such funds are furnished;

Ante, p. 2234.

"(5)(A) the requirements of section 406 of this Act (relating to participation of pupils and teachers in private elementary and secondary schools) are met unless such requirements cannot legally be met in the State (as determined by the State educational agency);

"(B) the State educational agency will not approve the application of a local educational agency within the State for assistance under this section unless the State educational agency determines that in designing the proposal subject to the application the needs of children in nonprofit private elementary and secondary schools have been taken into account through the consultation with private school officials and by other appropriate means; and

"(6) the State educational agency will provide to local educational agencies within the State, which are unable to compete due to smaller size or lack of financial resources, technical assistance in preparing proposals and in planning, developing, and operating programs under this section.

"(d) The Commissioner shall approve any application which meets the requirements of subsection (c) and not disapprove any such application without first affording an opportunity for a hearing.

"DISCRETIONARY PROGRAMS

20 USC 3315. Grants.

"SEC. 905. (a) From the amounts available in any fiscal year under section 903(b)(1) the Commissioner may—

"(1) make grants to State educational agencies, local educational agencies, institutions of higher education, and other public and private agencies and organizations, to assist them in establishing or maintaining programs or projects designed to meet the educational needs of gifted and talented children including the training of personnel in educating gifted and talented children or in supervising such personnel;

"(2) make grants to State educational agencies to assist them, either directly or through arrangements by the State educational agencies with other institutions, agencies, and organizations eligible to receive funds under this part, to provide training of personnel engaged in the education of gifted and talented children or supervision of such personnel;

"(3) enter into contracts with, and make grants to, public agencies and private organizations including State and local educational agencies, to establish and operate model projects for the identification and education of gifted and talented children;

"(4) make grants to, or enter into contracts with, public agencies, private organizations, or institutions which together or singly constitute a clearinghouse to disseminate information about programs, services, resources, research, methodolgy, and media materials for the education of gifted and talented children;

"(5) make grants to State educational agencies to assist them in the statewide planning, development, operation, and improvement of programs and projects designed to meet the educational needs of gifted and talented children; and

"(6) conduct, either directly or by grant or contract, a program of research, evaluation, and related activities pertaining to the education of gifted and talented children and may transfer to the National Institute of Education pursuant to subsection (c) not more than 20 per centum of the sums available in any fiscal year to carry out the provisions of this section,

to pay the Federal share of the cost of such grants or contracts. Not more than 20 per centum of the sums available in any fiscal year under this section may be used pursuant to clause (1) of this subsection for grants to institutions of higher education for the training of national leadership personnel.

"(b)(1) No grant may be made and no contract may be entered into under this section unless an application is submitted to the Commissioner in such form, in such manner, and containing such information, as is necessary for the purposes of this section.

"(2) The requirements of section 406 of this Act (relating to the participation of pupils and teachers in private, elementary and secondary schools) shall apply to programs and projects under this section unless such requirements cannot legally be met in the State (as determined by the State educational agency of the State in which the applicant for funds under this section is located). *Ante*, p. 2234.

"(c)(1) Notwithstanding the second sentence of section 405(b)(1) of the General Education Provisions Act, the National Institute of Education may, in accordance with the terms and conditions of section 405 of such Act, carry out a program of research and related activities pertaining to the education of gifted and talented children from funds transferred pursuant to subsection (a)(6). 20 USC 1221e.

"(2) For purposes of this section the term 'research, evaluation and related activities' means research, research training, evaluation, surveys, and demonstrations in the field of education of gifted and talented children and youth or the dissemination of information derived from such research, surveys or demonstrations, and all such activities, including experimental and model schools. "Research, evaluation and related activities."

"STATE ALLOTMENTS

"SEC. 906. (a)(1) In any fiscal year in which appropriations for this part are equal to or exceed $15,000,000 the Commissioner shall allot, from amounts available under section 903(b)(2), not more than 1 per centum among— 20 USC 3316.

"(A) Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands;

"(B) programs for children and teachers in elementary and secondary schools operated for Indian children by the Department of the Interior; and

"(C) programs authorized for children and teachers in overseas dependent schools of the Department of Defense,

in accordance with their respective needs.

"(2) From the remainder of such sums in any such fiscal year, the Commissioner shall allot to each State which has an application meeting the requirements of section 904, an amount which bears the same ratio to such remainder as the number of children in the State aged 5 to 17 years, inclusive, bears to the number of children in all States,

except that no State shall receive less than $50,000 in any such fiscal year.

"(3) For the purpose of this subsection the term 'State' means the several States, the Commonwealth of Puerto Rico, and the District of Columbia.

"(b) The amount of any State's allotment under subsection (a) for any fiscal year which the Commissioner determines will not be required for such fiscal year shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under subsection (a) for that year but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year; and the total of such reduction shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amounts reallotted to a State under this subsection during a year from funds appropriated under section 903 shall be deemed part of its allotment under section (a) for such year.

"ADMINISTRATION

20 USC 3317.

"SEC. 907. (a) The Commissioner shall designate an administrative unit within the Office of Education to administer the programs and projects authorized by this part and to coordinate all programs for gifted and talented children and youth administered by the Office of Education.

"(b) Notwithstanding any other provision of law, any Indian tribe which operates schools for its children shall be deemed to be a local educational agency for the purposes of this part.

"(c) No financial assistance may be made to a local educational agency for a period in excess of 5 years. The limitation contained in this subsection shall not apply to any financial assistance extended prior to the date of enactment of the Education Amendments of 1978.

Ante, p. 2143.

"FEDERAL SHARE

20 USC 3318.

"SEC. 908. The Federal share for any fiscal year shall be 90 per centum, except that the Federal share for the clearinghouse activities under section 905(a)(4), the research, evaluation and related activities under section 905(a)(6), and programs and projects involving the participation of students in for nonprofit private elementary and secondary schools shall be 100 per centum.

"PART B—EDUCATIONAL PROFICIENCY STANDARDS

"GRANTS TO IMPLEMENT EDUCATIONAL PROFICIENCY STANDARDS

20 USC 3331.

"SEC. 921. (a) The Commissioner is authorized to make grants to any State educational agency (or to any local educational agency located in a State in which the State educational agency has not submitted an application for a grant under this section) to carry out any plan approved by the Commissioner in accordance with this section to assist students in achieving levels of educational proficiency compatible with basic standards established by such educational agency.

"(b)(1) Each applicant which desires to receive a grant under this section may submit an application to the Commissioner. Any such

application shall be submitted in such form, and in accordance with such procedures, as the Commissioner shall require and shall contain an educational proficiency plan, as described in paragraph (2) of this subsection.

"(2) The educational proficiency plan referred to in paragraph (1) of this subsection—

"(A) shall contain a description of the educational proficiency standards established by the applicant for reading, writing, mathematics, and any other subject for which the State may require such standards;

"(B) shall contain a description of the programs designed to assist students in achieving levels of educational proficiency compatible with the standards described in subparagraph (A) of this paragraph;

"(C) may provide for the administration of examinations to students, at specified intervals or grade levels, to measure their reading, writing, or mathematical proficiency, or their proficiency in other subjects which the applicant considers appropriate for testing; and

"(D) shall contain the assurances of the applicant that any student who fails any examination provided for under subparagraph (C) of this paragraph shall be offered supplementary instruction in the subject matter covered by such examination.

"(c) The Commissioner shall award a grant to any applicant, in such amounts as the Commissioner considers appropriate, only if (1) the Commissioner approves the educational proficiency plan submitted by the applicant pursuant to subsection (b) of this section, and (2) the application submitted pursuant to such subsection satisfies all other requirements established by the Commissioner. Grants awarded under this section may be used by applicants either to continue to implement their ongoing educational proficiency plans, or to implement new plans, including the provision of supplementary instruction to be provided to students who fail the examinations.

"(d) There are authorized to be appropriated to carry out this section such sums as may be necessary for the fiscal year ending September 30, 1979, and for each of the four succeeding fiscal years. Appropriation authorization.

"(e) For purposes of this section, the term 'applicant' means any State or local educational agency which submits an application under this section. "Applicant."

"(f) Nothing in this section shall authorize the Commissioner to impose tests on State educational agencies or local educational agencies, and no such agency shall be compelled in any way to apply for funds under this section.

"ACHIEVEMENT TESTING ASSISTANCE

"SEC. 922. (a) The Commissioner is authorized, either directly or through grants or contracts awarded to State and local educational agencies and other public agencies, organizations, and institutions, and through contracts with private agencies, organizations, and institutions, to assist State and local educational agencies to develop their capacity to conduct programs of testing the achievement in the basic skills of children in elementary and secondary schools. The activities which may be supported under this section include— 20 USC 3332.

"(1) disseminating information to State and local educational agencies on the availability and uses of achievement tests;

"(2) training of and assistance to administrators, teachers, and other instructional personnel in the use of tests and test results; and

"(3) research and evaluation designed to determine improved means of assessing more accurately the achievement of children in basic skills and of diagnosing instructional needs.

"(b) Nothing in this section shall authorize the Commissioner to require specific tests or test questions. Any State or local educational agency may refuse to use any test or test question developed under this section.

"(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section for fiscal year 1980, and for each of the three succeeding fiscal years.

Women's Educational Equity Act of 1978.

"PART C—WOMEN'S EDUCATIONAL EQUITY

"SHORT TITLE; PURPOSE

20 USC 3341.

"SEC. 931. (a) This part may be cited as the 'Women's Educational Equity Act of 1978'.

"(b) (1) The Congress finds and declares that educational programs in the United States, as presently conducted, are frequently inequitable as such programs relate to women and frequently limit the full participation of all individuals in American society.

"(2) It is the purpose of this part to provide educational equity for women in the United States and to provide financial assistance to enable educational agencies and institutions to meet the requirements of title IX of the Education Amendments of 1972.

20 USC 1681.

"Council."

"(c) As used in this part, the term 'Council' means the National Advisory Council on Women's Educational Programs.

"GRANT AND CONTRACT AUTHORITY

20 USC 3342.

"SEC. 932. (a) The Commissioner is authorized to make grants to, and enter into contracts with, public agencies, private nonprofit agencies, organizations, and institutions, including student and community groups, and individuals, for activities designed to achieve the purpose of this part at all levels of education, including preschool, elementary and secondary education, higher education, and adult education. The activities may include—

"(1) demonstration, developmental, and dissemination activities of national, statewide, or general significance, including—

"(A) the development and evaluation of curricula, textbooks, and other educational materials related to educational equity;

"(B) model preservice and inservice training programs for educational personnel with special emphasis on programs and activities designed to provide educational equity;

"(C) research and development activities designed to advance educational equity;

"(D) guidance and counseling activities, including the development of nondiscriminatory tests, designed to insure educational equity;

"(E) educational activities to increase opportunities for adult women, including continuing educational activities and programs for underemployed and unemployed women; and

"(F) the expansion and improvement of educational programs and activities for women in vocational education, career education, physical education, and educational administration; and

"(2) assistance to eligible entities to pay a portion of the costs of the establishment and operation, for a period of not to exceed two years, of special programs and projects of local significance to provide equal opportunities for both sexes, including activities listed in paragraph (1), activities incident to achieving compliance with title IX of the Education Amendments of 1972 and other special activities designed to achieve the purposes of this part. 20 USC 1681.

Not less than 75 per centum of funds used to support activities covered by paragraph (2) shall be used for awards to local educational agencies.

"(b) For each fiscal year, the Commissioner shall use $15,000,000 from the funds available under this part to support activities described in paragraph (1) of subsection (a). Any funds in excess of $15,000,000 available under this part shall be used to support activities described in paragraph (2) of subsection (a).

"APPLICATION; PARTICIPATION

"SEC. 933. (a) A grant may be made, and a contract may be entered into, under this part only upon application to the Commissioner, at such time, in such form, and containing or accompanied by such information as the Commissioner may prescribe. Each such application shall— 20 USC 3343.

"(1) provide that the program or activity for which assistance is sought will be administered by or under the supervision of the applicant;

"(2) describe a program for carrying out one or more of the purposes set forth in section 932(a) which holds promise of making a substantial contribution toward attaining such purposes; and

"(3) set forth policies and procedures which insure adequate evaluation of the activities intended to be carried out under the application;

"(b) Nothing in this part shall be construed as prohibiting men and boys from participating in any programs or activities assisted under this part.

"SMALL GRANTS

"SEC. 934. In addition to the authority of the Commissioner under section 932, the Commissioner shall carry out a program of small grants (as part of the grant program administered under section 932 (a)(1)), not to exceed $25,000 each, in order to support innovative approaches to achieving the purposes of this part; and for that purpose the Commissioner is authorized to make grants to public and private nonprofit agencies and to individuals. 20 USC 3344.

"CRITERIA AND PRIORITIES

"SEC. 935. The Commissioner shall establish criteria and priorities for awards under this part to insure that available funds are used for programs that most effectively will achieve the purposes of this part. 20 USC 3345.

Those criteria and priorities shall be promulgated in accordance with section 431 of the General Education Provisions Act.

20 USC 1232.

"NATIONAL ADVISORY COUNCIL ON WOMEN'S EDUCATIONAL PROGRAMS

Establishment.
20 USC 3346.

"SEC. 936. (a) There is established in the Office of Education a National Advisory Council on Women's Educational Programs. The Council shall be composed of—

Membership.

"(1) seventeen individuals, some of whom shall be students, and who shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals, broadly representative of the general public who, by virtue of their knowledge or experience, are versed in the role and status of women in American society;

"(2) the staff Director of the Civil Rights Commission;

"(3) the Director of the Women's Bureau of the Department of Labor; and

"(4) the Director of the Women's Action Program of the Department of Health, Education, and Welfare.

The Council shall elect its own Chairperson from among the members described in paragraph (1).

Term of office.

"(b) The term of office of each member of the Council appointed under paragraph (1) of subsection (a) shall be three years, except that—

"(1) the members first appointed under such clause shall serve as designated by the President, six for a term of one year, five for a term of two years, and six for a term of three years; and

"(2) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his or her predecessor was appointed shall be appointed for the remainder of such term.

"(c) The Council shall—

"(1) advise the Secretary, Assistant Secretary, and the Commissioner on matters relating to equal educational opportunities for women and policy matters relating to the administration of this part;

"(2) make recommendations to the Commissioner with respect to the allocation of any funds pursuant to this part, including criteria developed to insure an appropriate geographical distribution of approved programs and projects throughout the Nation;

"(3) recommend criteria for the establishment of program priorities;

"(4) make such reports as the Council determines appropriate to the President and the Congress on the activities of the Council; and

"(5) disseminate information concerning the activities of the Council under this part.

"(d) The provisions of part D of the General Education Provisions Act shall apply with respect to the Council established under this subsection.

"REPORT

Report to President and Congress.
20 USC 3347.

"SEC. 937. The Commissioner is directed, not later than September 30, 1980, 1982, and 1984, to submit to the President and the Congress and to the Council a report setting forth the programs and

activities assisted under this part, and to provide for the distribution of this report to all interested groups and individuals, including the Congress, from funds authorized under this part. After receiving the report from the Commissioner, the Council shall evaluate the program and projects assisted under this part and include such evaluation in its annual report.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 938. For the purpose of carrying out this part there are authorized to be appropriated $80,000,000 for fiscal year 1980, and each of the three succeeding fiscal years. 20 USC 3348.

"PART D—SPECIAL GRANTS FOR SAFE SCHOOLS

"PURPOSE

"SEC. 941. The purpose of this part is to provide financial assistance to aid local educational agencies throughout the Nation to meet special needs incident to providing security for children, employees, and facilities in elementary and secondary schools by reducing and preventing crimes against them and to encourage the reporting of serious crimes committed in schools to local law enforcement agencies. 20 USC 3351.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 942. There is authorized to be appropriated $15,000,000 for the fiscal year ending September 30, 1979, and such sums as may be necessary for each of the four succeeding fiscal years to carry out this part. 20 USC 3352.

"ALLOTMENTS TO LOCAL EDUCATIONAL AGENCIES

"SEC. 943. (a) Within one hundred and eighty days after the date of enactment of the Education Amendments of 1978, the Commissioner shall select 15 local educational agencies for funding under this section. The Commissioner is to take into full account geographical considerations in the determination of the 15 agencies. 20 USC 3353. *Ante*, p. 2143.

"(b) The sums appropriated to carry out this part for a fiscal year shall be allotted by the Commissioner among the local educational agencies identified pursuant to subsection (a) in a manner which gives consideration to the following criteria in the following order:

"(1) The extent and impact upon elementary and secondary education of crime in the schools of the district to be served, including the reported incidences of such crime in the school.

"(2) Districts which have ongoing programs aimed at promoting school safety, but nothing in this paragraph shall be construed to mean that funds made available under this part will be used to substitute for local funds in such programs, but rather be used to expand such programs.

"(3) The financial need of such local educational agency.

"(4) The expense and difficulty of effectively carrying out a plan described in section 944(a) in such school district.

"(5) The degree to which measurable deficiencies in the quality of public education afforded in such district exceed those of other school districts within the State.

"(6) The degree to which the plan described in section 944(a), and the program or project to be assisted, are likely to effect a decrease in crime in the schools.

"(7) The degree to which a local educational agency has developed administrative guidelines encouraging the reporting to local law enforcement agencies of all serious crimes committed in schools under their jurisdiction.

"(8) The degree to which employees of the local educational agency report serious crimes committed in schools to local law enforcement agencies.

"APPLICATION

20 USC 3354.

"SEC. 944. (a) A local educational agency may receive a grant under this part for any fiscal year only upon application therefor approved by the Commissioner, with the consent of the appropriate State educational agency, upon the Commissioner's determination that the local educational agency has adopted and is implementing, or will, if assistance is made available under this part, adopt and implement, a plan to reduce crime and increase the safety and security of the students, employees, and facilities of its elementary and secondary schools through programs and projects designed to carry out the purpose of this part, including—

"(1) the provision of additional professional or other staff members (including staff members especially trained in problems incident to crime control) and the training and retraining of staff for schools which are affected by such a plan;

"(2) provision of information to parents and other members of the general public incident to the development or to the implementation of such plan;

"(3) the adoption of administrative guidelines so that school officials and staff are encouraged to report all serious crimes occurring in school or in school buildings to local law enforcement agencies;

"(4) planning and evaluation activities;

"(5) other specially designed programs or projects that meet the purpose of this part;

"(b) Funds may also be used for minor alteration of school plants and facilities, including the acquisition, installation, modernization, or replacement of equipment to reduce the susceptibility of the facility to crimes or vandalism. No more than 10 percent of the funds under any plan shall be used for this purpose.

Regulations.

"(c) The Commissioner shall promulgate such regulations as may be necessary to provide for the suspension of funding under this part to any local educational agency which the Commissioner determines has not complied with the requirements of subsection (a)(3).

Consultation.

"(d) The Commissioner shall consult with the Associate Administrator of the Office of Juvenile Justice and Delinquency Prevention for the purpose of coordinating programs and activities funded under this section with those related programs funded under the Juvenile Justice Delinquency Prevention Act of 1974.

42 USC 5601 note.

"PART E—ETHNIC HERITAGE PROGRAM

"STATEMENT OF POLICY

"SEC. 951. In recognition of the heterogeneous composition of the Nation and of the fact that in a multiethnic society a greater understanding of the contributions of one's own heritage and those of one's fellow citizens can contribute to a more harmonious, patriotic, and committed populace, and in recognition of the principle that all persons in the educational institutions of the Nation should have an opportunity to learn about the differing and unique contributions to the national heritage made by each ethnic group, it is the purpose of this part to provide assistance designed to afford to students opportunities to learn about the nature of their own cultural heritage, and to study the contributions of the cultural heritages of the other ethnic groups of the Nation. 20 USC 3361.

"ETHNIC HERITAGE STUDIES PROGRAMS

"SEC. 952. The Commissioner is authorized to make grants to, and contracts with, public and private nonprofit educational agencies, institutions, and organizations to assist them in planning, developing, establishing, and operating ethnic heritage studies programs, as provided in this part. 20 USC 3362.

"AUTHORIZED ACTIVITIES

"SEC. 953. Each program assisted under this part shall— 20 USC 3363.

"(1)(A) develop curriculum materials for use in elementary or secondary schools or institutions of higher education relating to the history, geography, society, economy, literature, art, music, drama, language, and general culture of the group or groups with which the program is concerned, and the contributions of that ethnic group or groups to the American heritage; or

"(B) disseminate curriculum materials to permit their use in elementary or secondary schools or institutions of higher education throughout the Nation; or

"(C) provide training for persons using, or preparing to use, curriculum materials developed under this part; and

"(2) cooperate with persons and organizations with a special interest in the ethnic group or groups with which the program is concerned to assist them in promoting, encouraging, developing, or producing programs or other activities which relate to the history, culture, or traditions of that ethnic group or groups.

"APPLICATIONS

"SEC. 954. (a) Any public or private nonprofit agency, institution, or organization desiring assistance under this part shall make application therefor in accordance with the provisions of this part and other applicable law and with regulations of the Commissioner promulgated for the purposes of this part. The Commissioner shall approve an application under this part only if he determines that— 20 USC 3364.

"(1) the program for which the application seeks assistance will be operated by the applicant and that the applicant will carry out such program in accordance with this part;

"(2) such program will involve the activities described in section 953; and

"(3) such program has been planned, and will be carried out, in consultation with an advisory council which is representative of the ethnic group or groups with which the program is concerned and which is appointed in a manner prescribed by regulation.

"(b) In approving applications under this part, the Commissioner shall ensure that there is cooperation and coordination of efforts among the programs assisted under this part, including the exchange of materials and information and joint programs where appropriate.

"ADMINISTRATIVE PROVISIONS

20 USC 3365.

"SEC. 955. (a) In carrying out this part, the Commissioner shall make arrangements which will utilize (1) the research facilities and personnel of institutions of higher education, (2) the special knowledge of ethnic groups in local communities and of foreign students pursuing their education in this country, (3) the expertise of teachers in elementary and secondary schools and institutions of higher education, and (4) the talents and experience of any other groups such as foundations, civic groups, and fraternal organizations which would further the goals of the programs.

"(b) Funds appropriated to carry out this part may be used to cover all or part of the cost of establishing and carrying out the programs, including the cost of research materials and resources, academic consultants, and the cost of training of staff for the purposes of carrying out the purposes of this part. Such funds may also be used to provide stipends (in such amounts as may be determined in accordance with regulations of the Commissioner) to individuals receiving training as part of such programs, including allowances for dependents.

"NATIONAL ADVISORY COUNCIL

National Advisory Council on Ethnic Heritage Studies. Establishment. 20 USC 3366.

"SEC. 956. (a) There is hereby established a National Advisory Council on Ethnic Heritage Studies consisting of fifteen members appointed by the Secretary who shall be appointed, serve, and be compensated as provided in part D of the General Education Provisions Act.

"(b) Such Council shall, with respect to the program authorized by this part, carry out the duties and functions specified in part D of the General Education Provisions Act.

20 USC 1233.

"AUTHORIZATION OF APPROPRIATIONS

20 USC 3367.

"SEC. 957. For the purpose of carrying out this part, there are authorized to be appropriated $15,000,000 for each of the fiscal years ending prior to October 1, 1983. Sums appropriated pursuant to this section shall, notwithstanding any other provision of law unless enacted in express limitation of this sentence, remain available for expenditure and obligation until the end of the fiscal year succeeding the fiscal year for which they were appropriated.".

TITLE IX—AMENDMENTS RELATING TO GENERAL PROVISIONS OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

REVISION OF TITLE VIII—GENERAL PROVISIONS

SEC. 901. (a)(1) The matter preceding the hyphen in section 1001 of the Act (as redesignated by section 801 of this Act) is amended by striking out "and VII" and inserting in lieu thereof "VII, VIII, and IX". 20 USC 3381.

(2) Section 1001(j) of the Act (as so redesignated) is amended by striking out "and VII" and inserting in lieu thereof "VII, VIII, and IX" and by inserting before the period a comma and "and the Northern Mariana Islands".

(3) Section 1001(l) of the Act (as so redesignated) is repealed. Repeal.

(b) Section 1004 of the Act (as so redesignated) is amended to read as follows: 20 USC 3384.

"WAIVER OF REQUIREMENTS FOR CERTAIN JURISDICTIONS

"SEC. 1004. (a)(1) If the Commissioner determines that compliance with any of the requirements of this Act by Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands is impractical or inappropriate because of conditions or circumstances particular to any of such jurisdictions, he may waive any of those requirements upon the request of the State educational agency for such jurisdiction. At least thirty days prior to approving any such request for a waiver, the Commissioner shall publish in the Federal Register a notice of his intent to grant such a waiver and the terms and conditions upon which such a waiver will be granted. Publication in Federal Register.

"(2) Any waiver of requirements under this subsection shall be subject to such terms and conditions as the Commissioner deems necessary to carry out the purposes of this Act, including the submission by the jurisdiction concerned of a plan for the management of the funds provided under this Act, in order to insure that those funds are used in a manner designed to achieve the purposes of this Act.

"(b)(1) If the Commissioner determines that compliance with any of the requirements of title I by Puerto Rico is impractical or inappropriate because of conditions or circumstances particular to that jurisdiction, he may waive any of those requirements upon the request of the State educational agency for that jurisdiction. At least thirty days prior to approving any such request for a waiver, the Commissioner shall publish in the Federal Register a notice of his intent to grant such waiver and the terms and conditions upon which such a waiver will be granted. *Ante*, p. 2153. Publication in Federal Register.

"(2) Any waiver of requirements under this subsection shall be subject to such terms and conditions as the Commissioner deems necessary to carry out the purposes of title I, including the submission by Puerto Rico of a plan for the management of the funds provided under such title, in order to insure that those funds are used in a manner designed to achieve the purposes of such title.

"(3) No waiver may be granted under this subsection after July 1, 1980, or apply to any period after such date.".

TITLE X—IMPACT AID AMENDMENTS

PART A—PUBLIC LAW 874

GENERAL EXTENSIONS OF PUBLIC LAW 874

20 USC 237.

SEC. 1001. (a) Section 2(a) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by striking out "1978" and inserting in lieu thereof "1983".

20 USC 238.

(b) Section 3(b) of such Act is amended by striking out "1978" and inserting in lieu thereof "1983".

20 USC 239.

(c) Section 4(a) of such Act is amended by striking out "1978" and inserting in lieu thereof "1983".

20 USC 238 note.

(d) Subparagraph (B) of the second paragraph (2) of section 305 (a) of the Education Amendments of 1974 is amended by striking out "1978" and inserting in lieu thereof "1983".

(e) Subparagraph (C) of such paragraph (2) is amended by striking out "1978" and inserting in lieu thereof "1983".

REVISION OF JURISDICTIONAL LIMITS ON LOCATIONS OF FEDERAL PROPERTY

20 USC 238.

SEC. 1002. (a) Section 3(b)(2)(A) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by inserting before the comma the following: ", or in whole or in part in the school district of such agency if the school district is located in more than one county".

(b) Section 3(b)(2)(B) of such Act is amended by inserting after "county" the following: "or district".

PROVISIONS REGARDING HEAVILY IMPACTED SCHOOL DISTRICTS

SEC. 1003. (a) Section 3(d)(1)(A) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by striking out "25 per centum" and inserting in lieu thereof "20 per centum".

(b) Section 3(d) of such Act is amended—

(1) in paragraph (2)(B) thereof, by striking out "clause (1) of" each time it appears therein; and

(2) in the first sentence of such paragraph, by striking out "the Commissioner is authorized, to", and inserting in lieu thereof "the Commissioner shall".

20 USC 240.

(c)(1) Paragraph (2)(A) of section 5(c) of such Act is amended to read as follows:

"(A) To each local educational agency—

"(i) with respect to which the local contribution rate has been increased under paragraph (2)(B) of section 3(d), which equals 75 per centum of the amount to which such agency is entitled as computed under section 3(d) for such fiscal year; and

"(ii) described in clause (A) of section 3(d)(1) which equals 75 per centum of the amount to which such agency is entitled, as computed under section 3(d), with respect to a determination of number of children under section 3(a) and section 3(b)(3) of such fiscal year;"

(2) Paragraph (2)(D) of such section 5(c) of such Act is amended by inserting after "section 3(b)" the following: "(other than such children with respect to whom a payment is made under clause (A)(ii) of this paragraph)". 20 USC 240.

(d) Section 3 of such Act is amended by adding at the end thereof the following new subsection: 20 USC 238.

"(g) Notwithstanding any other provisions of this Act, no State may require that a vote of the qualified electors of a heavily impacted school district of a local educational agency be held to determine if such school district will spend the amounts to which the local educational agency is entitled under this Act.".

ABSORPTION

SEC. 1004. Subparagraph (A) of paragraph (2) of section 3(d) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is hereby repealed. Repeal.

EARLY PAYMENTS ON THE BASIS OF ESTIMATES

SEC. 1005. Subsection (b) of section 5 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by inserting "(1)" after "(b)" and by adding at the end thereof the following new paragraph: 20 USC 240.

"(2) Not later than thirty days after the beginning of any fiscal year the Commissioner shall, on the basis of any application for preliminary payment from any local educational agency which was eligible for a payment during the preceding fiscal year on the basis of entitlements established under section 2 or 3, make such a payment to such agency of not less than 75 per centum of the amount that such agency received during such preceding fiscal year.".

STATE EQUALIZATION

SEC. 1006. (a) Section 5(d)(2) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by adding at the end thereof the following new subparagraph:

"(C)(i) If a State desires to take payments under this section into consideration as provided in this paragraph for any fiscal year, that State shall, not later than sixty days prior to the beginning of such fiscal year, submit notice to the Commissioner of its intention to do so. Such notice shall be in such form and be accompanied by such information as to enable the Commissioner to determine the extent to which the program of State aid of that State is consistent with the provisions of subparagraph (A). In addition, such notice shall be accompanied by such evidence as the Commissioner finds necessary that each local educational agency in that State has been given notice of the intention of the State. If the Commissioner determines that the program of State aid of a State submitting notice under this subparagraph is consistent with the provisions of subparagraph (A), the Commissioner shall certify such determination to that State.

"(ii) Prior to certifying any determination under division (i) for any State for any fiscal year, the Commissioner shall give the local educational agencies in that State an opportunity for a hearing at which such agencies may present their views with respect to the con- Hearing.

sistency of the State aid program of that State with the provisions of subparagraph (A).

"(iii) The Commissioner shall not finally deny to any State for any fiscal year certification of a determination under division (i) without first giving that State an opportunity for a hearing.".

20 USC 240 note.

(b) No State or local educational agency located therein shall, on the basis of noncompliance with standards established by regulations prescribed pursuant to section 5(d)(2) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), be required to make restitution of funds distributed to local educational agencies under such Act for the 1977–1978 school year if such State has an equalization program which, for the 1978–1979 school year complies with such standards.

ADJUSTMENTS NECESSITATED BY APPROPRIATIONS

20 USC 240.

SEC. 1007. (a) Section 5(c) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended—

(1) by redesignating paragraph (2) (as amended by section 1003(c) of this Act) as paragraph (2)(A);

(2) by striking out "amount—" and inserting in lieu thereof the following: "amount equal to 65 per centum of the amounts described in the following schedule:";

(3) by redesignating divisions (i) and (ii) of clause (A) of such paragraph (as added by such section 1003(c)) as subdivisions (I) and (II), respectively;

(4) by redesignating clauses (A), (B), (C), (D), (E), and (F) of such paragraph (2) as divisions (i), (ii), (iii), (iv), (v), and (vi), respectively;

(5) by inserting at the end of paragraph (2) the following new subparagraph:

"(B) From that part of the sums which remains after the allocation required by paragraph (1) and by subparagraph (A) of this paragraph for any fiscal year, he shall, in accordance with the requirements of subsection (e), allocate an amount not to exceed 35 per centum of the amounts described in the schedule set forth in subparagraph (A).";

and

(6) in the matter following paragraph (3) by striking out "paragraph (2)" the second place it appears and inserting "paragraph (2)(A)".

(b) Section 5(e) of such Act is amended to read as follows:

"HOLD HARMLESS; DISCRETIONARY ALLOCATIONS

"(e)(1) In carrying out the required allocations under paragraph (2) of subsection (c), if any amount remains after making allocations under paragraph (2)(A) of such subsection, the Commissioner shall allocate, from the amounts available under paragraph (2)(B) of such subsection, to each local educational agency described in the schedule in such paragraph (2)(A) an amount which shall not be less than 90 per centum of the amount paid to such agency under this section for the preceding fiscal year. If sums appropriated for any fiscal year for making payments under this section are not sufficient to pay in full the amount to which each local educational agency is entitled under the previous sentence, such amounts shall be ratably reduced.

"(2) Any sums which remain from the amounts available under paragraph (2)(B) of subsection (c) after making payments required by the first sentence of paragraph (1) of this subsection shall be allocated by the Commissioner among local educational agencies which have unsatisfied entitlements under sections 3 and 4 in accordance with appropriations Acts.". 20 USC 238, 239.

HEARINGS

SEC. 1008. Section 5 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by adding at the end thereof the following new subsection: 20 USC 240.

"(g) Each local educational agency which is adversely affected or aggrieved by any action of the Commissioner under this title shall be entitled to a hearing on, and review of, such action in the same manner as if such agency were a person under the provisions of chapters 5 and 7 of title 5, United States Code.". 5 USC 500, 701.

CHILDREN FOR WHOM LOCAL AGENCIES ARE UNABLE TO PROVIDE EDUCATION

SEC. 1009. (a) Section 6(a)(2) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by inserting after "(5) the Performance Rating Act of 1950, as amended (5 U.S.C. 2001 et seq.)." the following: "Personnel provided for under this subsection outside of the continental United States, Alaska, and Hawaii, shall receive such compensation, tenure, leave, hours of work, and other incidents of employment on the same basis as provided for similar positions in the public schools of the District of Columbia.". 20 USC 241. 5 USC 4301 *et seq.*

(b) Section 6(c) of such Act is amended by striking out everything after "United States" and inserting in lieu thereof the following: "in a grade, position, or classification subject by policy and practice to transfer or reassignment to areas where English is the language of instruction in the schools normally attended by children of Federal employees. Dependents of excepted service professional employees of the schools shall be eligible to attend the schools. In any case where education is being provided under an arrangement made under this subsection, it shall be presumed that no local educational agency is able to provide suitable free public education for the children of eligible parents employed by the United States until the Commissioner determines, after consultation with the appropriate State educational agency, that a local educational agency is able to do so.".

(c) Section 6(d) of such Act is amended by inserting at the end thereof the following: "The Commissioner shall ensure that funds provided under such arrangement or arrangements are expended in an efficient manner, and shall require an accounting of funds by such agency at least on an annual basis. The Commissioner shall further be provided with data relating to the quality and type of education provided to such children under such arrangement or arrangements.".

(d) Section 6 of such Act is further amended by adding at the end thereof the following new subsections:

"(g) The Commissioner shall ensure the establishment of an elective school board in schools assisted under this section. Such school board shall be composed of a minimum of three members, elected by the parents of students in attendance at such school. The Commissioner shall, by regulation, establish procedures for carrying out such school board elections as provided in this subsection.

"(h) A school board established pursuant to subsection (g) shall be empowered to oversee school expenditures and operations, subject to audit procedures established by the Commissioner, and other provisions of this section.".

PROMPT CONSIDERATION FOR APPLICATIONS

SEC. 1010. (a) Section 7(d) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by adding at the end thereof a new sentence to read as follows: "In any case in which the Commissioner does not complete, within sixty days, all action leading to approval or disapproval of an application filed under this section, the Secretary of Health, Education, and Welfare shall assume responsibility for such approval or disapproval of such application and shall complete such action within ninety days of the filing of such application.". 20 USC 241-1.

(b) Section 16(c) of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress) is amended by adding at the end thereof a new sentence to read as follows: "In any case in which the Commissioner does not complete, within sixty days, all action leading to approval or disapproval of an application filed under this section, the Secretary of Health, Education, and Welfare shall assume responsibility for such approval or disapproval of such application and shall complete such action within ninety days of the filing of such application.". 20 USC 646.

PROPERTY OWNED BY FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANIZATIONS

SEC. 1011. The second sentence of paragraph (1) of section 403 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by striking out "and (D)" and inserting in lieu thereof "(D)" and by striking out the period at the end thereof and inserting in lieu thereof the following: "and (E) any property owned by a foreign government or by an international organization which by reason of such ownership is not subject to taxation by the State in which it is located or a subdivision thereof.". 20 USC 244.

DEFINITION OF LOCAL EDUCATIONAL AGENCY

SEC. 1012. Effective October 1, 1979, section 403(6)(A) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by striking out "free public education" and inserting in lieu thereof "free public elementary and secondary education through grade 12".

HANDICAPPED CHILDREN

SEC. 1013. Paragraph (10) of section 403 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by adding at the end thereof the following new sentence: "A child shall, for the purposes of section 3, be deemed to be in attendance at a school of a local educational agency if such child is determined to be federally connected under clause (1) or (2) of section 3(a) or under clause (1), (2), or (3) of section 3(b) for any fiscal year and if such child is attending a school other than a school of such agency because such 20 USC 238.

child is handicapped (as defined in section 602(1) of the Education of the Handicapped Act) and if such agency makes a tuition payment on behalf of such child to such school for such fiscal year.". 20 USC 1401.

USE OF AVERAGE DAILY MEMBERSHIP

SEC. 1014. Paragraph (10) of section 403 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is further amended by adding at the end thereof the following new sentence: "Regulations promulgated by the Commissioner in accordance with clause (A) of this paragraph shall permit the conversion of average daily membership to average daily attendance for local educational agencies in States which reimburse local educational agencies based upon average daily membership and which do not require local educational agencies to keep records based on average daily attendance.". 20 USC 244.

IMPACT AID STUDY

SEC. 1015. (a) The President shall appoint a Commission on the Review of the Federal Impact Aid Program consisting of ten members. Commission on the Review of the Federal Impact Aid Program.

(b) The Commission shall review and evaluate the administration and operation of the impact aid program under the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) including— 20 USC 236 note.

(1) the equity of the present funding structure under Public Law 874,

(2) the relative benefit of the assistance for impact aid under Public Law 874 in view of the increasing costs of the program and the limitation on the availability of funds, and

(3) the ways in which districts of local educational agencies which are Federally impacted can best be assisted in meeting their educational needs.

(c)(1) The Secretary of Health, Education, and Welfare shall assure that the Department of Health, Education, and Welfare provide full support and cooperation to the Commission appointed under this section.

(2) The provisions of part D of the General Education Provisions Act, not inconsistent with the provisions of this section, shall apply to the Commission appointed under this section.

(3) This Commission shall closely coordinate its activities with activities of the Advisory Panel on Elementary and Secondary Education authorized under section 1203 of this Act. *Post*, p. 2335.

(d) The Commission shall prepare and submit to the President and to the Congress not later than December 1, 1979, a report on the review and evaluation required by this section, together with such recommendations, including recommendations for legislation relating to the authorization of the program and funding for the program, as the Commission deems appropriate. Report to President and Congress.

PART B—PUBLIC LAW 815

GENERAL EXTENSIONS OF PUBLIC LAW 815

SEC. 1021. (a) Sections 3 and 16 of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress), are each amended by striking out "1978" and inserting in lieu thereof "1983". 20 USC 633, 646.

20 USC 645.

(b) Section 15(15) of such Act is amended by striking out "1973-1974" and inserting in lieu thereof "1978-1979".

DETERMINATION OF NUMBER OF CHILDREN

20 USC 635.

SEC. 1022. Section 5(a) of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress), is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) the estimated increase, since the base year, in—

"(A) the number of children determined with respect to such agency under section 3(a)(2) of the Act of September 30, 1950, multiplied by 100 per centum of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated;

"(B) the number of children determined with respect to such agency under section 3(a)(1) and such Act multiplied by 90 per centum of such cost;

"(2) the estimated increase, since the base year, in—

"(A) the number of children determined with respect to such agency under section 3(b)(3) of such Act multiplied by 50 per centum of such cost;

"(B) the number of children determined with respect to such agency under section 3(b)(1) of such Act multiplied by 45 per centum of such cost; and

"(C) the number of children determined with respect to such agency under section 3(b)(2) of such Act multiplied by 40 per centum of such cost;".

CONSTRUCTION ARRANGEMENTS

20 USC 640.

SEC. 1023. Section 10(a) of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress), is amended by inserting ", leasing, renovating, remodeling, or rehabilitating" after "arrangements for constructing" and after "this section for constructing".

DISASTER ASSISTANCE

20 USC 646.

SEC. 1024. Section 16(a) of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress), is amended by striking out the last sentence in the matter following paragraph (6).

PART C—GENERAL PROVISIONS

NORTHERN MARIANA ISLANDS

SEC. 1031. (a) The Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is further amended by inserting "the Northern Mariana Islands," immediately after "American Samoa," each place it appears in section 3(d)(3)(B)(iii), 3(d)(3)(C), 6(c), and 403(8).

20 USC 238, 241, 244.

(b)(1) Section 10(a) of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress), is amended by inserting "American Samoa, the Northern Mariana Islands," immediately after "Guam,".

(2) Section 15(13) of such Act is amended by inserting "the Northern Mariana Islands," immediately after "American Samoa,".

EFFECTIVE DATE

SEC. 1032. This title shall be effective with respect to the 1979 fiscal year, and subsequent fiscal years, except that— 20 USC 237 note.

(1) the amendments made by section 1006 shall be effective upon enactment of this Act, and actions of the Commissioner of Education under the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), during or with respect to fiscal year 1978, shall be subject to the provisions of such amendments; 20 USC 236.

(2) the amendments made by sections 1003, 1007, 1011, and 1012 shall be effective with respect to fiscal year 1980, and subsequent fiscal years; and

(3) the provisions of section 1015 shall be effective upon enactment of this Act.

TITLE XI—INDIAN EDUCATION

PART A—ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES

AMENDMENT TO PUBLIC LAW 874

SEC. 1101. (a) Effective with respect to fiscal years beginning on or after the date of enactment of this Act, section 3(d)(2) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by adding at the end thereof the following new subparagraph: 20 USC 238.

"(D) The amount of the entitlements of any local educational agency under this section for any fiscal year with respect to children who, while in attendance at such agency, resided on Indian lands, as described in clause (A) of section 403(1), shall be the amount determined under paragraph (1) with respect to such children for such fiscal year multiplied by 125 per centum.".

(b) Effective with respect to fiscal years beginning on or after the date of enactment of this Act, section 5(a)(2) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is repealed and section 5(a)(1) of such Act is redesignated as section 5(a). Repeal. 20 USC 240.

(c) Effective with respect to fiscal years beginning on or after the date of enactment of this Act, section 5(b) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by inserting after paragraph (2) (as added by section 1005 of this Act) the following new paragraph:

"(3)(A) Payments of entitlements under section 3(d)(2)(D) of this Act shall be made only to local educational agencies which have, within one year of the date of enactment of this paragraph, or when local educational agencies are formed after such date of enactment, within one year of their formation, established such policies and procedures with respect to information received from Indian parents and tribes as required by this paragraph and which have made assurances to the Commissioner, at such time and in such manner as shall be determined by regulation, that such policies and procedures have been established. The Commissioner shall have the authority to waive this one-year limit for good cause, and in writing to the tribes to be affected.

"(B) Each local educational agency shall establish such policies and procedures as are necessary to insure that—

20 USC 238.

"(i) Indian children claimed under section 3(a) participate on an equal basis in the school program with all other children educated by the local educational agency;

"(ii) applications, evaluations, and program plans are adequately disseminated to the tribes and parents of Indian children claimed under section 3(a); and

"(iii) tribes and parents of Indian children claimed under section 3(a) are—

"(I) afforded an opportunity to present their views with respect to the application, including the opportunity to make recommendations concerning the needs of their children and the ways by which they can assist their children in realizing the benefits to be derived from the educational programs assisted under this paragraph;

"(II) actively consulted and involved in the planning and development of programs assisted under this paragraph; and

"(III) afforded a general opportunity to present their overall views on the educational program, including the operation of such programs, and the degree of parental participation allowed.

Written complaint.

"(C)(i) Any tribe, or its designee, which has students in attendance at a local educational agency may file a written complaint with the Commissioner regarding any action of a local educational agency taken pursuant to, or relevant to, the requirements of subparagraph (B) of this paragraph.

"(ii) Within ten working days from receipt of the complaint, the Commissioner shall—

Hearing.

"(I) designate a time and place for a hearing into the matters relating to the complaint at a location in close proximity to the local educational agency involved, or, if the Commissioner determines there is good cause, at some other location convenient to both the tribe, or its designee, and the local educational agency;

"(II) designate a hearing examiner to conduct the hearing; and

"(III) notify the affected tribe or tribes and the local educational agency involved of the time, place, and nature of the hearing and send copies of the complaint to the local educational agency and the affected tribe or tribes.

"(iii) The hearing shall be held within thirty days of the designation of a hearing examiner and shall be open to the public. A record of the proceedings shall be established and maintained.

"(iv) The complaining tribe, or its designee, and the local educational agency shall be entitled to present evidence on matters relevant to the complaint and to make recommendations concerning the appropriate remedial actions. Each party to the hearing shall bear only its own costs in the proceeding.

"(v) Within thirty days of the completion of the hearing, the hearing examiner shall, on the basis of the record, make written findings of fact and recommendations concerning appropriate remedial actions (if any) which should be taken. The hearing examiner's findings and recommendations, along with the hearing record, shall be forwarded to the Commissioner.

"(vi) Within thirty days of his receipt of the findings, recommendations, and record, the Commissioner shall, on the basis of the record, make a written determination of the appropriate remedial action, if

any, to be taken by the local educational agency, the schedule for completion of the remedial action, and the reasons for his decision.

"(vii) Upon completion of his final determination, the Commissioner shall provide the complaining tribe, or its designee, and the local educational agency with copies of the hearing record, the hearing examiner's findings and recommendations, and the Commissioner's final determination. The final determination of the Commissioner shall be subject to judicial review.

"(viii) In all actions under this subparagraph, the Commissioner shall have discretion to consolidate complaints involving the same tribe or local educational agency.

"(D) If the local educational agency rejects the determination of the Commissioner, or if the remedy required is not undertaken within the time established and the Commissioner determines that an extension of the time established will not effectively encourage the remedy required, the Commissioner shall withhold payment of all moneys to which such local agency is entitled under section 3(d)(2)(D) until such time as the remedy required is undertaken, except where the complaining tribe or its designee formally requests that such funds be released to the local educational agency: *Provided*, That the Commissioner may not withhold such moneys during the course of the school year if he determines that it would substantially disrupt the educational programs of the local educational agency. 20 USC 238.

"(E) This paragraph is based upon the special relationship between the Indian nations and the United States and nothing in it shall be deemed to relieve any State of any duty with respect to any citizens of that State.".

(d) Within one year of the date of enactment of this Act, the Secretary, in cooperation with the Commissioner, shall propose and promulgate special regulations which will provide that where a local educational agency does not undertake the remedial action required by the Commissioner under section 5(b)(3)(C)(vi) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) and the Commissioner determines that an extension of time will not effectively encourage the remedy, the affected tribes may elect to contract with the Bureau under title I of the Indian Self-Determination and Education Assistance Act to provide educational services provided by the local educational agency or elect to have such services provided by a Bureau of Indian Affairs school. Such regulations shall also establish procedures whereby the funding necessary to provide such educational services may be obtained, and establish such procedures as are necessary to insure orderly and expeditious transition in provision of educational services. Regulations. 20 USC 240 note. 20 USC 240. 25 USC 450f.

(e) Effective with respect to fiscal years beginning on or after the date of the enactment of this Act, section 5(c)(2)(A) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), as amended by section 1007 of this Act, is amended by redesignating divisions (ii) through (vi) as divisions (iii) through (vii), respectively, and by adding after division (i) the following new division:

"(ii) to each local educational agency which provides free public education for children who reside on Indian land, as described in clause (A) of section 403(1), which equals 75 per centum of the amount to which such agency is entitled under section 3(d)(2)(D);". 20 USC 244.

FUNDING PROVISION

Publication in Federal Register. 25 USC 13 note. 25 USC 13. 25 USC 452 note. Field survey.

SEC. 1102. (a) The Secretary of the Interior shall develop alternative methods for the equitable distribution of any supplement program funds provided, pursuant to an appropriation under the Act of November 2, 1921, commonly referred to as the Snyder Act, for contracting under the Act of April 16, 1934, commonly referred to as the Johnson-O'Malley Act, and shall publish in the Federal Register by March 1, 1979, such alternatives for the purpose of allowing eligible tribes to comment by May 1, 1979. At that time, the Secretary shall conduct a field survey listing all alternative formula.

Formula, publication in Federal Register.

(b) By July 1, 1979, the Secretary shall establish and publish the formula in the Federal Register which the majority of such tribes determine, but vote certified to the Secretary, to be most equitable and shall use such formula for purposes of distribution of the funds appropriated pursuant to such Act beginning on or after October 1, 1979. The Secretary shall, in accordance with procedures consistent with that prescribed herein, revise such formula periodically as necessary.

BASIC EDUCATIONAL SUPPORT

25 USC 13 note.

SEC. 1103. (a)(1) From sums already appropriated under the Act of November 2, 1921 (25 U.S.C. 13) and notwithstanding any other provision of law or any requirement of a grant or agreement relating to the timing of payments for basic support contracts or grants under the Act of April 16, 1934 (25 U.S.C. 452–457), the Secretary of the Interior shall make payments of any unexpended funds obligated for basic support contracts or grants under such Act of November 2, 1921, for fiscal year 1978 to any school that has received notification from the Department of the Interior of the award of such a contract or grant. Such payments shall be made in accordance with any applicable condition of such contracts or grants other than conditions relating to the timing of payments.

(2) The Secretary of the Interior shall make the payments referred to in paragraph (1) not later than thirty days after the date of the enactment of this Act. Saturdays, Sundays, and legal public holidays, as established by section 6103 of title 5, United States Code, shall not be considered as days for purposes of the preceding sentence.

25 USC 13-1.

(b) Such sums as are needed under such Act of November 2, 1921, are authorized to be appropriated to provide funds for basic educational support through parent committees under such Act of April 16, 1934, to those public schools educating Indian students and whose total sum of Federal, State, and local funds is insufficient to bring the education of the enrolled Indian students to a level equal to the level of education provided non-Indian students in the public schools in which they are enrolled where the absence of such support would result in the closing of schools or the reduction in quality of the education program afforded Indian students attending public schools.

PART B—BUREAU OF INDIAN AFFAIRS PROGRAMS

STANDARDS FOR THE BASIC EDUCATION OF INDIAN CHILDREN IN BUREAU OF INDIAN AFFAIRS SCHOOLS

Studies and surveys. 25 USC 2001.

SEC. 1121. (a) The Secretary, in consultation with the Assistant Secretary of Health, Education, and Welfare for Education, and in

consultation with Indian organizations and tribes, shall carry out or cause to be carried out by contract with an Indian organization such studies and surveys, making the fullest use possible of other existing studies, surveys, and plans, as are necessary to establish and revise standards for the basic education of Indian children attending Bureau schools and Indian controlled contract schools (hereinafter referred to as "contract schools"). Such studies and surveys shall take into account factors such as academic needs, local cultural differences, type and level of language skills, geographical isolation and appropriate teacher-student ratios for such children, and shall be directed toward the attainment of equal educational opportunity for such children.

Minimum academic standards. Publication in Federal Register.

(b)(1) Within fifteen months of the date of enactment of this Act, the Secretary shall propose minimum academic standards for the basic education of Indian children, and shall distribute such proposed standards to the tribes and publish such proposed standards in the Federal Register for the purpose of receiving comments from the tribes and other interested parties. Within eighteen months of the date of enactment of this Act, the Secretary shall establish final standards, distribute such standards to all the tribes and publish such standards in the Federal Register. The Secretary shall revise such standards periodically as necessary. Prior to any revision of such standards, the Secretary shall distribute such proposed revision to all the tribes, and publish such proposed revision in the Federal Register, for the purpose of receiving comments from the tribes and other interested parties.

(2) Such standards shall apply to Bureau schools, and subject to subsection (e), to contract schools, and may also serve as a model for educational programs for Indian children in public schools. In establishing and revising such standards, the Secretary shall take into account the special needs of Indian students and the support and reinforcement of the specific cultural heritage of each tribe.

(c) The Secretary shall provide alternative or modified standards in lieu of the standards established under subsection (b), where necessary, so that the programs of each school shall be in compliance with the minimum standards required for accreditation of schools in the State where the school is located.

Waiver.

(d) A tribal governing body, or the local school board if so designated by the tribal governing body, shall have the local authority to waive, in part or in whole, the standards established under subsections (b) and (c), where such standards are deemed by such body to be inappropriate or ill-conceived, and shall also have the authority to revise such standards to take into account the specific needs of the tribe's children. Such revised standards shall be established by the Secretary unless specifically rejected by the Secretary for good cause and in writing to the affected tribes or local school board, which rejection shall be final and unreviewable.

(e) The Secretary, through contracting procedures, shall assist school boards of contract schools in the implementation of the standards established under subsection (b) and (c), if the school boards request that such standards, in part or in whole, be implemented. The Secretary shall not refuse to enter into a contract with respect to any contract school on the basis of failure to meet such standards. At the request of a contract school board, the Secretary shall provide alternative or modified standards for the standards established under subsections (b) and (c) to take into account the needs of the Indian children and the contract school.

Plan, submittal to congressional committees.

(f) Subject to subsections (d) and (e), the Secretary shall begin to implement the standards established under this section immediately upon the date of their establishment. Within one year of such date, and at each time thereafter that the annual budget request for Bureau educational services is presented, the Secretary shall submit to the appropriate committees of Congress a detailed plan to bring all Bureau and contract schools up to the level required by the applicable standards established under this section. Such plan shall include, but not be limited to, detailed information on the status of each school's educational program in relation to the applicable standards established under this section, specific cost estimates for meeting such standards at each school, and specific time lines for bringing each school up to the level required by such standards.

Appropriation authorization.

(g) There are hereby authorized to be appropriated such sums as may be necessary, for academic program costs, in order to bring all Bureau and contract schools up to the level required by the applicable standards established under this section.

NATIONAL CRITERIA FOR DORMITORY SITUATIONS

Boarding costs, study. 25 USC 2002.

SEC. 1122. (a) The Secretary, in consultation with the Assistant Secretary for Health, Education, and Welfare for Education, and in consultation with Indian organizations and tribes, shall conduct or cause to be conducted by contract with an Indian organization, a study of the costs applicable to boarding arrangements for Indian students provided in Bureau and contract schools, for the purpose of establishing national criterial for such dormitory situations. Such criteria shall include adult-child ratios, needs for counselors (including special needs related to off-reservation boarding arrangements), space, and privacy.

Distributions to tribes and publication in Federal Register.

(b) Within fifteen months of the date of enactment of this Act, the Secretary shall propose such criteria, and shall distribute such proposed criteria to the tribes and publish such proposed criteria in the Federal Register for the purpose of receiving comments from the tribes and other interested parties. Within eighteen months of the date of enactment of this Act, the Secretary shall establish final criteria, distribute such criteria to all the tribes, and publish such criteria in the Federal Register. The Secretary shall revise such criteria periodically as necessary. Prior to any revision of such criteria, the Secretary shall distribute such proposed revision to all the tribes, and publish such proposed revision in the Federal Register, for the purpose of receiving comments from the tribes and other interested parties.

Plan, submittal to congressional committees.

(c) The Secretary shall begin to implement the criteria established under this section immediately upon the date of their establishment. Within one year of such date, and at each time thereafter that the annual budget request for Bureau educational services is presented, the Secretary shall submit to the appropriate committees of Congress a detailed plan to bring all Bureau and contract boarding schools up to the criteria established under this section. Such plan shall include, but not be limited to, predictions for the relative need for each boarding school in the future, detailed information on the status of each school in relation to the criteria established under this section, specific cost estimates for meeting such criteria at each school, and specific time lines for bringing each school up to the level required by such criteria.

Appropriation authorization.

(d) There are hereby authorized to be appropriated such sums as may be necessary in order to bring each school up to the level required by the criteria established under this section.

REGULATIONS

SEC. 1123. The Secretary shall establish such regulations as are necessary to carry out sections 1121 and 1122 within eighteen months after the date of enactment of this Act. 25 USC 2003.

STUDIES

SEC. 1124. There are hereby authorized to be appropriated no more than $1,000,000 to carry out the studies conducted under section 1121(a) and section 1122(a). Appropriations, limitation. 25 USC 2004.

FACILITIES CONSTRUCTION

SEC. 1125. (a) The Secretary shall immediately begin to bring all schools, dormitories, and other facilities operated by the Bureau or under contract with the Bureau in connection with the education of Indian children into compliance with all applicable Federal, tribal, or State health and safety standards, whichever provide greater protection (except that the tribal standards to be applied shall be no greater than any otherwise applicable Federal or State standards), and with section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), except that nothing in this section shall require termination of the operations of any facility which does not comply with such provisions and which is in use on the date of enactment of this Act. 25 USC 2005.

(b) Within one year of the date of enactment of this Act, and at each time thereafter that the annual budget request for Bureau educational services is presented, the Secretary shall submit to the appropriate committees of Congress a detailed plan to bring such facilities into compliance with such standards. Such plan shall include, but not be limited to, detailed information on the status of each facility's compliance with such standards, specific cost estimates for meeting such standards at each school, and specific time lines for bringing each school into compliance with such standards. Plan, submittal to congressional committees.

(c) Within six months of the date of enactment of this Act, the Secretary shall submit to the appropriate committees of Congress, and publish in the Federal Register, the system used to establish priorities for school construction projects. At the time any budget request for school construction is presented, the Secretary shall publish in the Federal Register and submit with the budget request the current list of all school construction priorities. Priorities, submittals to congressional committees and publications in Federal Register.

(d) There are hereby authorized to be appropriated such sums as may be necessary to carry out subsection (a). Appropriation authorization.

BUREAU OF INDIAN AFFAIRS EDUCATION FUNCTIONS

SEC. 1126. (a) The Secretary shall vest in the Assistant Secretary for Indian Affairs all functions with respect to formulation and establishment of policy and procedure, and supervision of programs and expenditures of Federal funds for the purpose of Indian education administered by the Bureau. The Assistant Secretary shall carry out such functions through the Director of the Office of Indian Education Programs within the Bureau (hereinafter referred to as the "Office"), which shall be governed by the provisions of this Act, any other provision of law to the contrary notwithstanding. 25 USC 2006.

(b) The Director of the Office shall direct and supervise the operations of all personnel directly and substantially involved with provision of education services by the Bureau. The Assistant Secre-

tary for Indian Affairs shall provide for the adequate coordination between the affected Bureau offices and the Office in order to facilitate the expeditious consideration of all contract functions relating to education. Nothing in this Act shall be construed to require the provision of separate support services for Indian education.

(c) Education personnel located in Bureau agencies, who are under the direction and supervision of the Director of the Office in accordance with the first sentence of subsection (b), shall—

(1) monitor and evaluate Bureau education programs, and

(2) provide technical and coordinating assistance in areas such as procurement, contracting, budgeting, personnel, and curriculum.

However, in the case of boarding schools located off reservation operated by the Bureau, education personnel located in area offices of the Bureau shall provide such services, under the direction and supervision of the Director of the Office.

"Functions." (d) For the purpose of this section the term "functions" includes powers and duties.

IMPLEMENTATION

Publication in Federal Register. 25 USC 2007. SEC. 1127. Within six months after the date of enactment of this Act, the Secretary shall establish and publish in the Federal Register the policies and procedures which are necessary to implement the transfer of functions made under section 1126.

ALLOTMENT FORMULA

Regulation. 25 USC 2008. SEC. 1128. (a) The Secretary shall establish, by regulation adopted in accordance with section 1138, a formula for determining the minimum annual amount of funds necessary to sustain each Bureau or contract school. In establishing such formula, the Secretary shall consider—

(1) the number of Indian students served and size of the school;

(2) special cost factors, such as—

(A) isolation of the school;

(B) need for special staffing, transportation, or educational programs;

(C) food and housing costs;

(D) overhead costs associated with administering contracted education functions; and

(E) maintenance and repair costs associated with the physical condition of the educational facilities;

(3) the cost of providing academic services which are at least equivalent to those provided by public schools in the State in which the school is located;

(4) the cost of bringing the school up to the level of the standards established under sections 1121 and 1122; and

(5) such other relevant factors as the Secretary determines are appropriate.

(b) Notwithstanding any other provisions of law, Federal funds appropriated for the general local operation of Bureau and contract schools, shall be allotted pro rata in accordance with the formula established under subsection (a), except that, in the case of any such school which is located in a school district of a local educational agency which receives from Federal funds under other provisions of law an

average payment per Indian child attending such school in that district which is higher than the amount which would be received by such Bureau or contract school under such formula for each Indian child attending such school, the payment to be received by that school under this section for each such child shall be equal to such average payment for an Indian child in public school in that district.

(c) Notwithstanding subsection (b), the Secretary shall provide funds for the general local operation of Bureau and contract schools where necessitated by cases of emergencies or unforeseen contingencies not otherwise provided for under subsection (a). Whenever the Secretary makes funds available under this subsection, the Secretary shall report such action to the appropriate committees of Congress.

Funds, provision.

Report to Congress.

UNIFORM DIRECT FUNDING AND SUPPORT

SEC. 1129. (a) Within six months after the date of enactment of this Act, the Secretary shall establish, by regulation adopted in accordance with section 1138, a system for the direct funding and support of all Bureau and contract schools. Such system shall allot funds, in accordance with section 1128, and shall provide each affected school with notification of its approximate allotment not later than the end of the school year preceding the year for which the allotment is to be made.

Regulation.
25 USC 2009.

(b) In the case of all Bureau schools, allotted funds shall be expended on the basis of local financial plans which shall be prepared by the local school supervisor in active consultation with the local school board for each school, and the local school board for each school shall have the authority to ratify, reject, or amend such financial plan, and expenditures thereunder, and, on its own determination or in response to the supervisor of the school, to revise such financial plan to meet needs not foreseen at the time of preparation of the financial plan. The supervisor of the school may appeal any such action by the local school board to the superintendent for education of the Bureau agency, and the superintendent may, for good cause and in writing to the local school board, overturn the action of the local school board.

Local financial plans.

Appeals.

(c) Funds for self-determination grants under section 104(a)(2) of the Indian Self-Determination and Education Assistance Act shall not be used for providing technical assistance and training in the field of education by the Bureau unless such services are provided in accordance with a plan, agreed to by the tribe or tribes affected and the Bureau, under which control of education programs is intended to be transferred to such tribe or tribes within a specific period of time negotiated under such agreement.

25 USC 450h.

(d) In the exercise of its authority under this section, a local school board may request technical assistance and training from the Secretary, and he shall, to the greatest extent possible, provide such services, and make appropriate provisions in the budget of the Office for such services.

POLICY FOR INDIAN CONTROL OF INDIAN EDUCATION

SEC. 1130. It shall be the policy of the Bureau, in carrying out the functions of the Bureau, to facilitate Indian control of Indian affairs in all matters relating to education.

25 USC 2010.

EDUCATION PERSONNEL

25 USC 2011. 5 USC 5101 *et seq.*, 5301, 6301 *et seq.*

SEC. 1131. (a)(1) Chapter 51, subchapter III of chapter 53, and chapter 63 of title 5, United States Code, relating to leave, pay, and classification, and the sections relating to the appointment, promotion and removal of civil service employees, shall not apply to educators or to education positions (as defined in subsection (n)).

(2) Paragraph (1) shall take effect one year after the date of enactment of this Act.

Regulations.

(b) Not later than the effective date of subsection (a)(2), the Secretary shall prescribe regulations to carry out this section. Such regulations shall govern—

(1) the establishment of education positions,

(2) the establishment of qualifications for educators,

(3) the fixing of basic compensation for educators and education positions,

(4) the appointment of educators,

(5) the discharge of educators,

(6) the entitlement of educators to compensation,

(7) the payment of compensation to educators,

(8) the conditions of employment of educators,

(9) the length of the school year applicable to education positions described in subsection (n)(1)(A),

(10) the leave system for educators, and

(11) such other matters as may be appropriate.

Educator qualifications, requirements.

(c)(1) In prescribing regulations to govern the qualifications of educators, the Secretary shall require—

(A)(i) that lists of qualified and interviewed applicants for education positions be maintained in each agency and area office of the Bureau from among individuals who have applied at the agency or area level for an education position or who have applied at the national level and have indicated in such application an interest in working in certain areas or agencies; and

(ii) that a list of qualified and interviewed applicants for education positions be maintained in the Office from among individuals who have applied at the national level for an education position and who have expressed interest in working in an education position anywhere in the United States;

(B) that a local school board shall have the authority to waive on a case-by-case basis, any formal education or degree qualifications established by regulation pursuant to subsection (b)(2), in order for a tribal member to be hired in an education position to teach courses on tribal culture and language and that subject to subsection (d)(2)(A), a determination by a school board that such a person be hired shall be followed by the supervisor; and

(C) that it shall not be a prerequisite to the employment of an individual in an education position at the local level that such individual's name appear on the national list maintained pursuant to subsection (c)(1)(A)(ii) or that such individual has applied at the national level for an education position.

(2) The Secretary may authorize the temporary employment in an education position of an individual who has not met the certification standards established pursuant to regulations, if the Secretary determines that failure to do so would result in that position remaining vacant.

Educator appointments, requirements.

(d)(1) In prescribing regulations to govern the appointment of educators, the Secretary shall require—

(A)(i) that educators employed in a school (other than the supervisor of the school) shall be hired by the supervisor of the school unless there are no qualified applicants available, in which case the vacant position shall be filed at the national level from the list maintained pursuant to subsection (c)(1)(A)(ii).

(ii) each school supervisor shall be hired by the superintendent for education of the agency office of the Bureau in which the school is located, and

(iii) educators employed in an agency office of the Bureau shall be hired by the superintendent for education of the agency office;

(B) that before an individual is employed in an education position in a school by the supervisor of a school (or, with respect to the position of supervisor, by the appropriate agency superintendent for education), the local school board for the school shall be consulted, and that subject to subsection (d)(2), a determination by the school board that such individual should or should not be so employed shall be followed by the supervisor (or with respect to the position of supervisor, by the agency superintendent for education); and

(C) that before an individual may be employed in an education position at the agency level, the appropriate agency school board shall be consulted, and that, subject to subsection (d)(3), a determination by such school board that such individual should or should not be employed shall be followed by the agency superintendent for education.

Appeals.

(2)(A) The supervisor of a school may appeal to the appropriate agency superintendent for education any determination by the local school board for the school that an individual be employed, or not be employed, in an education position in the school other than that of supervisor. Upon such an appeal, the agency superintendent for education may, for good cause and in writing to the local school board, overturn the determination of the local school board with respect to the employment of such individual.

(B) The superintendent for education of an agency office of the Bureau may appeal to the Director of the Office any determination by the local school board for a school that an individual be employed, or not be employed, as the supervisor of the school. Upon such an appeal, the Director of the Office may, for good cause and in writing to the local school board, overturn the determination of the local school board with respect to the employment of such individual.

(3) The superintendent for education of an agency office of the Bureau may appeal to the Director of the Office any determination by the agency school board that an individual be employed, or not be employed, in an education position in such agency office. Upon such an appeal, the Director of the Office may, for good cause and in writing to the agency school board, overturn the determination of the agency school board with respect to the employment of such individual.

Education position application statement.

(4) Any individual who applies at the local level for an education position shall state on such individual's application whether or not such individual has applied at the national level for an education position in the Bureau. If such individual is employed at the local level, such individual's name shall immediately be forwarded to the Secretary, who shall, as soon as possible but in no event in more than thirty days, ascertain the accuracy of the statement made by such individual pursuant to the first sentence of this subparagraph. If the individual's statement is found to have been false, such individual, at the Secretary's discretion, may be disciplined or discharged. If the indi-

vidual had applied at the national level for an education position in the Bureau, if the appointment of such individual at the local level shall be conditional for a period of ninety days, during which period the Secretary may appoint a more qualified individual (as determined by the Secretary) from the list maintained at the national level pursuant to subsection (c)(1)(A)(ii) to the position to which such individual was appointed.

(5) Except as expressly provided, nothing in this section shall be construed as conferring upon local school boards, authority over, or control of, educators.

Educator discharge and employment requirements.

(e)(1) In prescribing regulations to govern the discharge and conditions of employment of educators, the Secretary shall require—

(A) that procedures be established for the rapid and equitable resolution of grievances of educators;

(B) that no educator may be discharged without notice of the reasons therefor and opportunity for a hearing under procedures that comport with the requirements of due process; and

(C) educators employed in Bureau schools shall be notified sixty days prior to the end of the school year whether their employment contract will be renewed for the coming year.

(2) The supervisor of a Bureau school may discharge (subject to procedures established under paragraph (1)(B)) for cause (as determined under regulations prescribed by the Secretary) any educator employed in such school. Upon giving notice of proposed discharge to an educator, the supervisor involved shall immediately notify the local school board for the school of such action. A determination by the local school board that such educator shall not be discharged shall be followed by the supervisor. The supervisor shall have the right to appeal such action to the superintendent for education of the appropriate agency office of the Bureau. Upon such an appeal, the agency superintendent for education may, for good cause and in writing to the local school board, overturn the determination of the local school board with respect to the employment of such individual.

Notification.

Appeal.

Recommendations.

(3) Each local school board for a Bureau school shall have the right (A) to recommend to the supervisor of such school that an educator employed in the school be discharged, and (B) to recommend to the superintendent of education of the appropriate agency office of the Bureau and to the Director of the Office, that the supervisor of the school be discharged.

Waiver.

(f)(1) Notwithstanding any provision of the Indian preference laws, such laws shall not apply in the case of any personnel action within the purview of this section respecting an employee not entitled to Indian preference if each tribal organization concerned grants, in writing, a waiver of the application of such laws with respect to such personnel action, where such a waiver is in writing deemed to be a necessity by the tribal organization, except that this shall in no way relieve the Bureau of its responsibility to issue timely and adequate announcements and advertisements concerning any such personnel action if it is intended to fill a vacancy (no matter how such vacancy is created).

Definitions.

(2) For purposes of this subsection, the term "tribal organization" means—

(A) the recognized governing body of any Indian tribe, band, nation, pueblo, or other organized community, including a Native village (as defined in section 3(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(c); 85 Stat. 688); or

(B) in connection with any personnel action referred to in this subsection, any local school board as defined in section 1139, and which has been delegated by such governing body the authority to grant a waiver under such subsection with respect to such personnel action.

(3) The term "Indian preference laws" means section 12 of the Act of June 18, 1934 (25 U.S.C. 472; 48 Stat. 986) or any other provision of law granting a preference to Indians in promotions and other personnel actions, except that such term shall not be considered to include section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e(b); 88 Stat. 2295).

(g) Subject to the authority of the Civil Service Commission to determine finally the applicability of chapter 51 of title 5, United States Code, to specific positions and employees in the executive branch, the Secretary shall determine in accordance with subsection (a)(1) the applicability or inapplicability of such chapter to positions and employees in the Bureau. 5 USC 5101 *et seq.*

(h)(1) The Secretary shall fix the basic compensation or annual salary rate for educators and education positions at rates comparable to the rates in effect under the General Schedule for individuals with comparable qualifications, and holding comparable positions, to whom chapter 51 is applicable. Compensation. 5 USC 5332 note.

(2) Each educator employed in an education position in Alaska shall be paid a cost-of-living allowance equal to 25 per centum of the rate of basic compensation to which such educator is entitled.

(3) The Secretary may pay a postdifferential not to exceed 25 per centum of the rate of basic compensation, on the basis of conditions of environment or work which warrant additional pay as a recruitment and retention incentive.

(i) Any individual—

(1) who on the date of enactment of this Act is holding a position which is determined under subsection (f) to be an education position and who elects under subsection (o)(2) to be covered under the provisions of this section, or

(2) who is an employee of the Federal Government or the municipal government of the District of Columbia and is transferred, promoted, or reappointed, without break in service, from a position under a different leave system to an education position,

shall be credited for the purposes of the leave system provided under regulations prescribed pursuant to subsection (b)(10), with the annual and sick leave to his credit immediately before the effective date of such election, transfer, promotion, or reappointment.

(j) Upon termination of employment with the Bureau, any annual leave remaining to the credit of an individual within the purview of this section shall be liquidated in accordance with sections 5551(a) and 6306 of title 5, United States Code, except that leave earned or accrued under regulations prescribed pursuant to subsection (b)(10) shall not be so liquidated.

(k) In the case of any educator who is transferred, promoted, or reappointed, without break in service, to a position in the Federal Government under a different leave system, any remaining leave to the credit of such person earned or credited under the regulations prescribed pursuant to subsection (b)(10) shall be transferred to his credit in the employing agency on an adjusted basis in accordance with regulations which shall be prescribed by the Civil Service Commission.

(l) An educator who voluntarily terminates employment with the Bureau before the expiration of the existing employment contract

between such educator and the Bureau shall not be eligible to be employed in another education position in the Bureau during the remainder of the term of such contract.

(m) In the case of any educator employed in an education position described in subsection (n)(1)(A) who—

(1) is employed at the close of a school year,

(2) agrees in writing to serve in such a position for the next school year, and

(3) is employed in another position during the recess period immediately preceding such next school year, or during such recess period receives additional compensation referred to in subsection (g)(2) or (g)(3), section 5533 of title 5, United States Code, relating to dual compensation, shall not apply to such educator by reason of any such employment during a recess period for any such receipt of additional compensation.

Definitions.

(n) For the purpose of this section—

(1) The term "education position" means a position in the Bureau the duties and responsibilities of which—

(A) are performed on a school-year basis principally in a Bureau school and involve—

(i) classroom or other instruction or the supervision or direction of classroom or other instruction;

(ii) any activity (other than teaching) which requires academic credits in educational theory and practice equal to the academic credits in educational theory and practice required for a bachelor's degree in education from an accredited institution of higher education; or

(iii) any activity in or related to the field of education notwithstanding that academic credits in educational theory and practice are not a formal requirement for the conduct of such activity; or

(B) are performed at the agency level of the Bureau and involve the implementation of education-related programs other than the position of agency superintendent for education.

(2) The term "educator" means an individual whose services are required, or who is employed, in an education position.

(o)(1) This section shall apply with respect to any individual hired after the effective date of subsection (a)(2) for employment in an education position and to the position in which such individual is employed. Subject to paragraph (2), the enactment of this Act shall not affect the continued employment of any individual employed immediately before the effective date of subsection (a)(2) in an education position, or such individual's right to receive the compensation attached to such position.

(2) Any individual employed in an education position immediately before the effective date of subsection (a)(2) may, within five years of the date of enactment of this Act, make an irrevocable election to be covered under the provisions of this section.

MANAGEMENT INFORMATION SYSTEM

Establishment.
25 USC 2012.

SEC. 1132. The Secretary shall establish within the Bureau, within one year after the date of the enactment of this Act, a computerized management information system, which shall provide information to all agency and area offices of the Bureau, and to the Office. Such information shall include but shall not be limited to—

(1) student enrollment;

(2) curriculum;
(3) staff;
(4) facilities;
(5) community demographics; and
(6) student assessment information.

BUREAU EDUCATION POLICIES

SEC. 1133. Within one hundred and eighty days of the date of enactment of this Act, the Secretary shall develop, publish in the Federal Register, and submit to all agency and area offices of the Bureau, all tribal governments, and the appropriate committees of the Congress, a draft set of education policies, procedures, and practices for education-related action of the Bureau. The Secretary shall, within one year of the date of enactment of this Act, provide that such uniform policies, procedures, and practices shall be finalized and promulgated. Thereafter, such policies, procedures, and practices and their periodic revisions, shall serve as the foundation for future Bureau actions in education.

Publication in Federal Register and submittals to Bureau, tribes, and congressional committees.
25 USC 2013.

UNIFORM EDUCATION PROCEDURES AND PRACTICES

SEC. 1134. The Secretary shall cause the various divisions of the Bureau to formulate uniform procedures and practices with respect to such concerns of those divisions as relate to education, and shall report such practices and procedures to the Congress.

Report to Congress.
25 USC 2014.

RECRUITMENT OF INDIAN EDUCATORS

SEC. 1135. The Secretary shall institute a policy for the recruitment of qualified Indian educators and a detailed plan to promote employees from within the Bureau. Such plan shall include opportunities for acquiring work experience prior to actual work assignment.

Policy and plan.
25 USC 2015.

ANNUAL REPORT

SEC. 1136. The Secretary shall submit to each appropriate committee of the Congress a detailed annual report on the state of education within the Bureau and any problems encountered in the field of education during the year. Such report shall contain suggestions for improving the Bureau educational system and increasing local Indian control of such system.

Submittal to congressional committees.
25 USC 2016.

RIGHTS OF INDIAN STUDENTS

SEC. 1137. Within six months of the date of enactment of this Act, the Secretary shall prescribe such rules and regulations as are necessary to insure the constitutional and civil rights of Indian students attending Bureau schools, including, but not limited to, their right to privacy under the laws of the United States, their right to freedom of religion and expression and their right to due process in connection with disciplinary actions, suspensions, and expulsions.

Rules and regulations.
25 USC 2017.

REGULATIONS

SEC. 1138. Regulations required to be adopted under sections 1126 through 1137 of this Act shall be deemed rules of general applicability prescribed for the administration of an applicable program for the purposes of section 431 of the General Education Provisions Act and shall be promulgated, submitted for congressional review, and take effect in accordance with the provisions of such section.

25 USC 2018.

20 USC 1232.

DEFINITIONS

25 USC 2019.

SEC. 1139. For the purpose of this title—

(1) the term "agency school board" means a body, the members of which are appointed by the school boards of the schools located within such agency, and the number of such members shall be determined by the Secretary in consultation with the affected tribes, except that, in agencies serving a single school, the school board of such school shall fulfill these duties;

(2) the term "Bureau" means the Bureau of Indian Affairs of the Department of the Interior;

(3) the term "Commissioner" means the Commissioner of Education;

(4) the term "financial plan" means a plan of services to be provided by each Bureau school;

(5) the term "Indian organization" means any group, association, partnership, corporation, or other legal entity owned or controlled by a federally recognized Indian tribe or tribes, or a majority of whose members are members of federally recognized Indian tribes;

(6) the term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a county, township, independent, or other school district located within a State, and includes any State agency which directly operates and maintains facilities for providing free public education;

(7) the term "local school board", when used with respect to a Bureau school, means a body chosen in accordance with the laws of the tribe to be served or, in the absence of such laws, elected by the parents of the Indian children attending the school, except that in schools serving a substantial number of students from different tribes, the members shall be appointed by the governing bodies of the tribes affected; and the number of such members shall be determined by the Secretary in consultation with the affected tribes;

(8) the term "Secretary" means the Secretary of the Interior;

(9) the term "supervisor" means the individual in the position of ultimate authority at a Bureau school; and

(10) the term "tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688) which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

43 USC 1601 note.

PART C—INDIAN EDUCATION PROVISIONS

EXTENSION OF AUTHORIZATION

20 USC 3385. *Ante*, p. 2284.

SEC. 1141. (a) Section 1005(g) of the Elementary and Secondary Education Act of 1965 as redesignated by section 801 of this Act, is amended by striking out "July 1, 1978" and inserting in lieu thereof "October 1, 1983".

(b) Section 303(a)(1) of the Indian Elementary and Secondary School Assistance Act (title III of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress)) as added by the Indian

Education Act, is amended by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1983". 20 USC 241bb.

(c)(1) Section 422 of the Indian Education Act is amended by striking out "each of the three succeeding fiscal years" and inserting in lieu thereof "each of the succeeding fiscal years ending prior to October 1, 1983". 20 USC 3385a.

(2) Section 423(a) of such Act is amended by striking out "each of the three succeeding fiscal years" and inserting in lieu thereof "each of the succeeding fiscal years ending prior to October 1, 1983". 20 USC 3385b.

(3) Section 442(a) of such Act is amended by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1983". 20 USC 1221g.

CULTURALLY RELATED ACADEMIC NEEDS

SEC. 1142. (a) Section 302(a) of the Indian Elementary and Secondary School Assistance Act is amended— 20 USC 241aa.

(1) by striking out "special educational needs of Indian students" and inserting in lieu thereof "special educational and culturally related academic needs of Indian students"; and

(2) by striking out "these special educational needs" and inserting in lieu thereof "these special educational or culturally related academic needs, or both".

(b) Section 304 of such Act is amended by striking out "special educational needs" each place it appears in paragraphs (1) and (2) and inserting in lieu thereof "special educational or culturally related academic needs, or both,". 20 USC 241cc.

DEMONSTRATION PROJECTS

SEC. 1143. Section 303 of the Indian Elementary and Secondary School Assistance Act is amended by adding at the end thereof the following new subsection: Grants, appropriation authorization. 20 USC 241bb.

"(c) In addition to the sums appropriated for any fiscal year for grants to local educational agencies under this title, there is hereby authorized to be appropriated for any fiscal year an amount not in excess of 10 per centum of the amount appropriated for payments on the basis of entitlements computed under subsection (a) for that fiscal year, for the purpose of enabling the Commissioner to make grants on a competitive basis to local educational agencies to support demonstration projects and programs which are designed to plan for and improve education opportunities for Indian children, except that the Commissioner shall reserve a portion not to exceed 25 per centum of such funds to make grants for demonstration projects examining the special educational and culturally related academic needs that arise in school districts with high concentrations of Indian children.".

PARENT COMMITTEES

SEC. 1144. Section 305(b) of the Indian Elementary and Secondary School Assistance Act is amended— 20 USC 241dd.

(1) by inserting "(including persons acting in loco parentis other than school administrators or officials)" after "Indian children" in paragraph (2)(B)(i) and after "children participating in the program" in paragraph (2)(B)(ii);

(2) by inserting ", including policies and procedures relating to the hiring of personnel," after "policies and procedures" in paragraph (2)(C); and

(3) by striking out the period at the end of paragraph (2)(C) and inserting in lieu thereof a semicolon and by adding at the end thereof the following new paragraph:

"(3) provides that the parent committee formed pursuant to paragraph (2)(B)(ii) will adopt and abide by reasonable by-laws for the conduct of the program for which assistance is sought.".

ALLOCATION ADJUSTMENT

20 USC 241ff.

SEC. 1145. Section 307(b) of the Indian Elementary and Secondary School Assistance Act is amended to read as follows:

"(b) In the case of any fiscal year in which the maximum amounts for which local educational agencies are eligible have been reduced under the first sentence of subsection (a), and in which additional funds have not been made available to pay in full the total of such maximum amounts under the second sentence of such subsection, the Commissioner may reallot, in such manner as he determines will best assist in advancing the purposes of this title, any amount awarded to a local education agency in excess of the amount to which it is entitled under section 303(a) and subsection (a) of this section, or any amount which the Commissioner determines, based upon estimates made by local educational agencies, will not be needed by any such agency to carry out its approved project.".

20 USC 241bb.

TRIBAL SCHOOLS

20 USC 241bb-1.

SEC. 1146. Notwithstanding any other provision of law, any Indian tribe or organization which is controlled or sanctioned by an Indian tribal government and which operates any school for the children of that tribe shall be deemed to be a local educational agency for purposes of section 303(a) of the Indian Elementary and Secondary School Assistance Act if each such school, as determined by the Commissioner, operated by that tribe or organization provides its students an educational program which meets the standards established under section 1121 for the basic education of Indian children, or is a school operated under contract by that tribe or organization in accordance with the provisions of the Indian Self-Determination and Education Assistance Act.

25 USC 450 note.

DEFINITION STUDY

20 USC 1221h.

SEC. 1147. Section 453 of the Indian Education Act is amended by inserting "(a)" immediately after "SEC. 453." and by adding at the end thereof the following new subsection:

Consultation and submittal to Congress.

"(b) The Assistant Secretary of Health, Education, and Welfare for Education, in consultation with Indian tribes, national Indian organizations, and the Secretary of the Interior, shall supervise a thorough study and analysis of the definition of Indian contained in subsection (a) and submit a report on the results of such study and analysis to the Congress not later than January 1, 1980. Such study and analysis shall include but not be limited to—

"(1) an identification of the total number of Indian children being served under this title;

"(2) an identification of the number of Indian children eligible and served under each of the four clauses of such definition in such subsection;

"(3) an evaluation of the consequences of eliminating descendants in the second degree from the terms of such definition, or of specifying a final date by which tribes, bands, and groups must be recognized, or of both;

"(4) other options for changes in the terms of such definition and an evaluation of the consequences of such changes, together with supporting data;

"(5) recommendations with respect to criteria for use by the Commissioner under the rulemaking authority contained in clause (4) of such subsection.".

DATA COLLECTION

SEC. 1148. Section 453 of the Indian Education Act is amended by inserting after subsection (b), as added by section 1147: 20 USC 1221h.

"(c) In establishing a child's eligibility for entitlement under part A of this Act, the Commissioner shall request at least the following information on the student eligibility form:

"(1) the name of the tribe, band, or other organized group of Indians with which the applicant claims membership, along with the enrollment number establishing membership (where applicable), and the name and address of the organization which has updated and accurate membership data for such tribe, band, or other organized group of Indians; or, if the child is not a member of a tribe, band, or other organized group of Indians, the student eligibility form shall bear the name, the enrollment number (where applicable) and the organization (and address thereof) responsible for maintaining updated and accurate membership roles of any of the applicant's parents or grandparents, from whom the applicant claims eligibility;

"(2) whether the tribe, band, or other organized group of Indians with which the applicant, his parents, or grandparents claim membership are federally recognized;

"(3) the name and address of the parent or legal guardian;

"(4) the signature of the parent or legal guardian verifying the accuracy of the information supplied; and

"(5) any other information which the Secretary deems necessary to provide an accurate program profile.".

PROGRAM MONITORING

SEC. 1149. (a) The Commissioner shall establish a method of auditing on an annual basis a sample of not less than one-third of the total number of school districts receiving funds under part A of the Indian Education Act, and shall report to the Congress his findings. Annual audit, report to Congress. 20 USC 241aa note.

(b) Any falsification of information provided on the local educational agency application for funds under part A of such Act is punishable by impoundment of unused funds and an ineligibility for receiving any future entitlement under such Act. Information falsification.

(c) Any falsification of information provided on the student eligibility form for funds under part A of such Act is punishable by making that individual ineligible for receiving any future entitlement under the Act.

AMENDMENTS TO TITLE X OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

SEC. 1150. (a) Section 1005(c)(1)(E) of the Elementary and Secondary Education Act of 1965, as redesignated by section 801 of this Act, is amended by inserting "and gifted and talented Indian children" after "handicapped". 20 USC 3385. *Ante*, p. 2284.

20 USC 3385. *Ante*, p. 2284.

(b)(1) Section 1005(c)(1)(F) of the Elementary and Secondary Education Act of 1965, as redesignated by section 801 of this Act, is amended to read as follows:

"(F) early childhood programs, including kindergarten;".

(2)(A) Section 1005(d) of the Elementary and Secondary Education Act of 1965, as redesignated by section 801 of this Act, is amended—

(i) by striking out "children" in paragraphs (1) and (2) of such section and by inserting in lieu thereof "students" each time it appears; and

(ii) by inserting after "teachers" a comma and the following: "administrators".

(B) The section heading of section 1005 of the Elementary and Secondary Education Act of 1965, as redesignated by section 801 of this Act, is amended to read as follows:

"IMPROVEMENT OF EDUCATIONAL OPPORTUNITIES FOR INDIAN STUDENTS"

(c)(1) Section 1005(e) of the Elementary and Secondary Education Act of 1965, as redesignated by section 801 of this Act, is amended as follows:

Regional information centers, establishment, grants and contracts.

"(e)(1) The Commissioner is also authorized to make grants to and contracts with public agencies, State educational agencies in States in which more than five thousand Indian children are enrolled in public elementary and secondary schools, Indian tribes, Indian institutions, Indian organizations, or to make contracts with private institutions and organizations, to establish, on a regional basis, information centers to—

20 USC 241aa note. 20 USC 1211a.

"(A) evaluate programs assisted under this part, under the Indian Elementary and Secondary School Assistance Act, under section 314 of the Adult Education Act, and other Indian education programs in order to determine their effectiveness in meeting the special educational and culturally related academic needs of Indian children and to conduct research to determine those needs;

"(B) provide technical assistance upon request to local educational agencies and Indian tribes, Indian organizations, Indian institutions, and parent committees created pursuant to section 305(b)(2)(B)(ii) of the Indian Elementary and Secondary School Assistance Act in evaluating and carrying out programs assisted under this part, under such Act, and under section 314 of the Adult Education Act through the provision of materials and personnel resources; and

20 USC 241dd.

"(C) disseminate information upon request to the parties described in subparagraph (B) concerning all Federal education programs which affect the education of Indian children including information on successful models and programs designed to meet the special educational needs of Indian children.

"(2) Grants or contracts made pursuant to this subsection may be made for a term not to exceed three years (renewable at the end of that period subject to the approval of the Commissioner) provided that provision is made to insure annual review of the projects.".

(2) Section 1005(b) of such Act, as redesignated by section 801 of this Act, is amended by striking out "Indian tribes, organizations, and institutions" and inserting in lieu thereof "Indian tribes, Indian organizations, and Indian institutions".

(d) Section 1005(f) of the Elementary and Secondary Education Act of 1965, as redesignated by section 801 of this Act, is amended by inserting "(1)" after "(f)", by redesignating clauses (1), (2), (3), and (4) as clauses (A), (B), (C), and (D) respectively, and by adding at the end thereof the following: 20 USC 3385. *Ante*, p. 2284.

"(2) The Commissioner shall not approve an application for a grant under subsection (e) of this section unless he is satisfied that the funds made available under that subsection will be so used as to supplement the level of funds from State, local, and other Federal sources that would, in the absence of Federal funds under this subsection, be made available by the State or local educational agency for the activities described in this subsection, and in no case will be used so as to supplant those funds.".

(e) Section 1005(g) of the Elementary and Secondary Education Act of 1965, as redesignated by section 801 of this Act, is amended by inserting "(1)" after "(g)" and by adding at the end thereof the following:

"(2) For the purpose of making grants under subsection (e) of this section there are hereby authorized to be appropriated $8,000,000 for each of the fiscal years ending prior to October 1, 1983. The sum of the grants made to State educational agencies under subsection (e) of this section shall not exceed 15 per centum in any fiscal year of the sums appropriated for that year.". Appropriation authorization.

(f) Section 306(a) of the Indian Elementary and Secondary School Assistance Act is amended by inserting "estimated to be" after "equal to the amount". 20 USC 241ee.

DEFINITION OF INDIAN

SEC. 1151. Section 453(1) of the Indian Education Act is amended by striking out "now or in the future". 20 USC 1221h.

TEACHER TRAINING AND FELLOWSHIPS

SEC. 1152. (a) The first sentence of section 422(a) of the Indian Education Act is amended by striking out "children" and inserting in lieu thereof "people". 20 USC 3385a.

(b) Section 423(a) of the Indian Education Act is amended— 20 USC 3385b.

(1) by striking out "less than three, nor"; and

(2) by striking out "professional or graduate degree in engineering, medicine, law, business, forestry, and related field" and inserting in lieu thereof "postbaccalaureate degree in medicine, law, education, and related fields or leading to an undergraduate or graduate degree in engineering, business administration, natural resources, and related fields.".

TITLE XII—ADMINISTRATIVE PROVISIONS

PART A—EQUALIZATION

DATA COLLECTION

SEC. 1201. Section 406 of the General Education Provisions Act is amended by adding at the end thereof the following new subsection: 20 USC 1221e-1.

"(i)(1) In addition to its other responsibilities, the National Center for Education Statistics shall, in consultation with the Office of Education, collect uniform data from the States on financing of ele- Consultation.

20 USC 821 note.

mentary and secondary education. Each State receiving funds under the Elementary and Secondary Education Act of 1965 shall cooperate with the National Center in this effort.

State profile, publication.

"(2)(A) The National Center shall, in consultation with the Office of Education, publish by no later than September 30, 1979, and by no later than September 30 of each second fiscal year thereafter, a composite profile of each State showing the degree to which each has achieved equalization of resources for elementary and secondary education among the school districts within the State. A summary of these profiles shall show this equalization among the States.

"(B) In compiling the profiles required by this paragraph, the National Center shall list the degree of equalization both within and among the States according to the following standards:

"(i) the disparity in expenditures among school districts;

"(ii) the disparity from wealth neutrality; and

"(iii) such other measures as the National Center considers appropriate, including a consideration of price differentials and pupil-teacher ratios.

Appropriation authorization.

"(3) There are authorized to be appropriated such sums as may be necessary for any fiscal year to assist the National Center in carrying out its responsibilities under this subsection.".

EQUALIZATION ASSISTANCE

SEC. 1202. Part C of the General Education Provisions Act is amended by inserting after section 426 the following new section:

"EQUALIZATION ASSISTANCE

Grants. 20 USC 1231c-1.

"SEC. 426A. (a) The Commissioner is authorized from the sums appropriated pursuant to subsection (d) to make grants to States to assist in developing and implementing plans to revise their systems of financing elementary and secondary education in order to achieve a greater equalization of resources among school districts. Any State desiring to receive such a grant shall (1) submit an application approved by the State legislature for such funds, (2) provide that State funds will match the Federal funds on a dollar for dollar basis, and (3) show how these efforts build upon the knowledge gained through the plans developed pursuant to section 842 of the Education Amendments of 1974.

20 USC 246.

"(b) The Commissioner is authorized, from sums appropriated pursuant to subsection (d), (1) to develop and disseminate models and materials useful to the States in planning and implementing revisions of their school financing systems, and (2) to establish temporary national and regional training centers to assist those involved in school finance in providing the level of expertise needed by the States in revising their financing systems.

National dissemination center, designation.

"(c) The Commissioner shall (1) designate a unit within the Office of Education to serve as a national dissemination center for information on the States' efforts to achieve a greater equalization of resources for elementary and secondary education, and (2) develop an analysis of what has been learned through the use of funds available under section 842 of the Education Amendments of 1974 and disseminate the results of this analysis.

Appropriation authorization.

"(d) There are hereby authorized to be appropriated $4,000,000 for each of the fiscal years ending prior to September 30, 1983, for the purposes of this section.".

SCHOOL FINANCE

SEC. 1203. (a) It is the purpose of this section to provide for— 20 USC 1221-1 note.

(1) the availability of reliable and comparative data on the status and trends in financing elementary and secondary education;

(2) the conduct of studies necessary to understand and analyze the trends and problems affecting the financing of elementary and secondary education, both public and non-public, including the prospects for adequate financing during the next ten years; and

(3) the development of recommendations for Federal policies to assist in improving the equity and efficiency of Federal and State systems for raising and distributing revenues to support elementary and secondary education.

(b) In order to carry out the purposes of this section, the Secretary shall carry out the studies and surveys set forth in subsection (e) relating to the financing of elementary and secondary education.

(c)(1) In order to provide the Secretary and the Congress with advice and counsel from distinguished and knowledgeable members of the public on the conduct of the activities authorized under this section, there is established within the Department of Health, Education, and Welfare an Advisory Panel on Financing Elementary and Secondary Education to be composed of fifteen members appointed by the President. The Panel shall include (A) representatives of public and non-public elementary and secondary education, including board members, administrators, and teachers, (B) State and local officials, (C) citizens, and (D) scholars of school finance. Advisory panel on Financing Elementary and Secondary Education, establishment and membership.

(2) The members of the Advisory Panel shall be appointed, without regard for the provisions of title 5, United States Code, governing appointments in the competitive service, not later than sixty days after the enactment of this section.

(3) Members who are not in the regular full-time employ of the United States shall, while attending to the business of the Advisory Panel, be entitled to receive compensation at the daily rate prescribed for grade 18 in section 5332 of such title 5, including travel time. All members while serving on the business of the Advisory Panel away from their homes or regular places of business, may be allowed travel expenses in accordance with section 5703 of title 5. Compensation. 5 USC 5332 note.

(4) The Advisory Panel shall provide periodic advice to the Secretary concerning all activities conducted under this section. The Secretary shall make available to the Advisory Panel such technical and other assistance as may be necessary to enable the Advisory Panel to carry out its responsibilities.

(5) The views and recommendations of the Advisory Panel shall be presented to the White House Conference on Education called pursuant to the provisions of section 804 of the Education Amendments of 1974.

(6) Sixty days after the submission of the final report under subsection (f) of this section, the Advisory Panel shall terminate. 20 USC 1221-1 note. Termination.

(7) There are authorized to be appropriated such sums as may be necessary for fiscal years 1979 and 1980 to carry out the provisions of this subsection. Appropriation authorization.

(8) Section 804(c)(1) of the Education Amendments of 1974 is amended—

(A) by striking out "thirty-five" and inserting in lieu thereof "forty-one";

(B) by striking out "fifteen" and inserting in lieu thereof "twenty-one"; and

(C) by inserting after the first sentence the following new sentence: "Six of the members appointed by the President shall be members of the Advisory Panel on Financing Elementary and Secondary Education.".

Studies and surveys.

(d) The studies and surveys conducted under this section shall consider (1) the prospects for adequate financing of elementary and secondary schools during the ten year period from October 1, 1979, through September 30, 1989, and (2) the distribution of financial resources for elementary and secondary education among the States, among school districts within the States, and among schools within school districts. The Secretary shall have the authority necessary to achieve coordination, avoid redundancy, and insure the high quality of the studies and surveys carried out under this section and to ensure the relevance of those studies to the objectives of this section.

(e) The studies and surveys carried out under this section shall include—

(1) an analysis of the capacity of educational finance systems to provide adequate school revenues, including an examination of future trends in educational service requirements, cost of supplying these services, and available school revenues from Federal, State, and local sources, taking account of noneducational service demands on revenues:

(2) to the extent feasible, the development of procedures for the conduct of the activities of the National Center for Education Statistics under section 406(i) of the General Education Provisions Act:

20 USC 1221e-1.

(3) an analysis of the recent trends in the distribution of these resources including (A) an examination of recent court and State legislative developments, (B) case studies of States showing the greatest degree of equalization of resources in order to determine whether common elements exist leading to such equalization, and (C) special analyses of the effects of such recent trends on school districts in large urban areas and in poor rural areas and the effects of such trends on students who are members of minority groups, or who are economically or educationally disadvantaged or handicapped:

(4) an analysis of standards to measure inter-State, intra-State, and intradistrict equalization, including an examination of the standards showing disparities in expenditures, variations from fiscal neutrality, weightings of classes of pupils, and applications of these standards to an illustrative number of States, school districts, and schools;

(5) an analysis of the impact of Federal and State education programs on the distribution of State and local educational resources and of the relationship between such Federal and State programs;

(6) recommendations for alternative Federal roles in the context of the total responsibility for financing schools among local, State, and Federal levels, including recommendations for changes in current Federal programs and suggestions for new Federal programs to promote greater equalization;

(7) an analysis of the impact of school finance equalization on the cost and quality of education programs, including particularly the quality of education programs in those districts recognized as educational leaders prior to equalization;

(8) an analysis of the effects of school finance equalization on curricular and extracurricular activities related to the arts, athletics, foreign languages, music, and other programs or activities of special value, or enrichment, or which especially serve the needs or talents of a limited sector of the preschool, elementary, or secondary school population;

(9) an analysis of the effects of school finance equalization on the distribution of tax burdens by level of government, type of revenue, and family income of taxpayers;

(10) an analysis of current and future Federal assistance for non-public elementary and secondary education, including the extent of non-public participation in Federal programs, trends in enrollments and costs of private education, the impact of private schools on public school enrollments and financial support, and an examination of alternative Federal policies for support of private education; and

(11) an analysis of the extent to which school districts participate in programs administered by Federal agencies other than the Education Division of the Department of Health, Education, and Welfare which analysis (A) shall include an assessment of barriers to school district participation in programs which have general purpose governments as primary beneficiaries and (B) shall explore alternative coordinating mechanisms to achieve equitable school district participation in such programs.

The studies described in this section shall be assigned to such organizational units within the Department as the Secretary deems appropriate. All studies and surveys described in this section shall utilize existing information to the extent possible, and shall require the collection of new information only as may be required. Appropriate resources shall be made available to reimburse respondents for costs associated with any additional data collection required by this section.

Reports to President and Congress.

(f) The Secretary and the Advisory Panel shall make interim reports to the President and the Congress no later than December 31, 1979, and December 31, 1980, and shall make a final report thereto no later than December 31, 1981, on the results of the studies conducted under this section. The Secretary and the Advisory Panel shall provide comments on each of the above reports and such additional recommendations, including recommendations for legislation, as the Secretary and the Panel may deem appropriate to the President and to the Congress no later than sixty days after the submission of such reports. Any other provisions of law, rule, or regulation to the contrary notwithstanding, such reports of the Panel shall not be submitted to any review outside of the Panel before their transmittal to the Congress, but the President and the Secretary may make to the Congress such recommendations with respect to the contents of the reports as each may deem appropriate.

Comments and legislative recommendations.

Plan, submittal to Congress.

(g) (1) The Secretary shall submit to the Congress, within one hundred and twenty days after the date of the enactment of the Act, a plan for studies to be conducted under this section. The Secretary shall have such plan delivered to both Houses on the same day and to each House while it is in session. The Secretary shall not commence such studies until the first day after the close of the first period of sixty calendar days of continuous session of Congress after the date of the delivery of such plan to the Congress.

(2) For the purposes of paragraph (1)—

(A) continuity of session is broken only by adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty-day period.

(h) Sums made available pursuant to section 183 of the Elementary and Secondary Education Act of 1965 and other funds available to any agency of the Department of Health, Education, and Welfare for purposes consistent with this section, shall be available to carry out the provisions of this section.

"State."

(i) For purposes of this section, the term "State" means each of the States, the District of Columbia, and the Commonwealth of Puerto Rico.

PART B—PAPERWORK CONTROL

Control of Paperwork Amendments of 1978.

SHORT TITLE

20 USC 1221-3 note.

SEC. 1211. This part may be cited as the "Control of Paperwork Amendments of 1978".

GENERAL EDUCATION PROVISIONS ACT AMENDMENT

20 USC 1221e-1.

SEC. 1212. (a) Paragraph (3) of section 406(b) of the General Education Provisions Act is amended by inserting ", including State agencies responsible for postsecondary education," immediately after "local educational agencies".

(b) The General Education Provisions Act is amended by adding after section 400 the following new section:

"CONTROL OF PAPERWORK

Coordination.
20 USC 1221-3.

"SEC. 400A. (a)(1)(A) In order to eliminate excessive detail and unnecessary and redundant information requests and to achieve the collection of information in the most efficient and effective possible manner, the Secretary shall coordinate the collection of information and data acquisitioned activities of all Federal agencies, (i) whenever the respondents are primarily educational agencies or institutions, and (ii) whenever the purpose of such activities is to request information needed for the management of, or the formulation of, policy related to Federal education programs or research or evaluation studies related to the implementation of Federal education programs.

Federal Education Data Acquisition Council, establishment, membership, and duties.

"(B) There is hereby established a Federal Education Data Acquisition Council, to consist of members appointed by the Secretary who shall represent the public and the major agencies which collect and use education data, including one representative each of the Office of Management and Budget and of the Office of Federal Statistical Policy and Standards. The members representing the public may be appointed for not more than three years. The Council shall advise and assist the Secretary with respect to the improvement, development, and coordination of Federal education information and data acquisition activities, and shall review the policies, practices, and procedures established by the Secretary. The Council shall meet regularly during the year and shall be headed by an individual from an agency which has expertise in data collection but which undertakes no major data collection of education data.

Definitions.

"(2) For the purposes of this section, the term—

"(A) 'information' has the meaning given it by section 3502 of title 44, United State Code;

"(B) 'Federal agency' has the meaning given it by section 3502 of the same title; and

"(C) 'educational agency or institution' means any public or private agency or institution offering education programs.

Review and coordination.

"(3)(A) The Secretary shall review and coordinate all collection of information and data acquisition activities described in paragraph (1)(A) of this subsection, in accordance with procedures approved by the Federal Education Data Acquisition Council. Such procedures shall be designed in order to enable the Secretary to determine whether proposed collection of information and data acquisition activities are excessive in detail, unnecessary, redundant, ineffective, or excessively costly, and, if so, to advise the heads of the relevant Federal agencies.

"(B) No collection of information or data acquisition activity subject to such procedures shall be subject to any other review, coordination, or approval procedure outside of the relevant Federal agency except as required by this subsection and except that an aggrieved agency may seek review of an adverse action by the Secretary under subparagraph (A) by the Director of the Office of Management under the rules and regulations established pursuant to section 3509 of title 44, United States Code, and the Director shall issue a decision thereon within 10 days after receipt of the request for review.

"(C) The procedures established by the Secretary shall include a review of plans for evaluations and for research when such plans are in their preliminary stages, in order to give advice to the heads of Federal agencies regarding the data acquisition aspects of such plans.

Assistance and plan requirement.

"(b)(1) The Secretary shall assist each Federal agency in performing the review and coordination required by this section and shall require of each agency a plan for each collection of information and data acquisition activity, which shall include—

"(A) a detailed justification of how information once collected will be used;

"(B) the methods of analysis which will be applied to such data;

"(C) the timetable for the dissemination of the collected data: and

"(D) an estimate of the costs and man-hours required by each educational agency or institution to complete the request and an estimate of costs to Federal agencies to collect, process, and analyze the information, based upon previous experience with similar data or upon a sample of respondents.

"(2) In performing the review and coordination required by this section, the Secretary shall assure that—

"(A) no information or data will be requested of any educational agency or institution unless that request has been approved and publicly announced by the February 15 immediately preceding the beginning of the new school year, unless there is an urgent need for this information or a very unusual circumstance exists regarding it;

"(B) sampling techniques, instead of universal responses, will be used wherever possible, with special consideration being given to the burden being placed upon small school districts, colleges, and other educational agencies and institutions; and

"(C) no request for information or data will be approved if such information or data exist in the same or a similar form in the automated indexing system required to be developed pursuant to subsection (d).

Comments.

"(3) Each educational agency or institution subject to a request under the collection of information and data acquisition activity and

their representative organizations shall have an opportunity, during a thirty-day period, to comment to the Secretary on the collection of information and data acquisition activity. The exact data instruments for each proposed activity shall be available to the public upon request during this comment period.

"(4) No changes may be made in the plans for the acquisition of that information or data, except changes required as a result of the review described in this section, after such plans have been finally approved under this section, unless the changed plans go through the same approval process.

Waiver.

"(5) The Secretary may waive the requirements of this section for individual research and evaluation studies which are not designated for individual project monitoring or review, provided that—

"(A) the study shall be of a nonrecurring nature;

"(B) any educational agency or institution may choose whether or not to participate, and that any such decision shall not be used by any Federal agency for purposes of individual project monitoring or funding decisions;

"(C) the man-hours necessary for educational agencies and institutions to respond to requests for information or data shall not be excessive, and the requests shall not be excessive in detail, unnecessary, redundant, ineffective, or excessively costly; and

Announcement in Federal Register.

"(D) the Federal agency requesting information or data has announced the plans for the study in the Federal Register.

Notification.

The Secretary shall inform the relevant agency or institution concerning the waiver decision within thirty days following such an announcement, or the study shall be deemed waived and may proceed. Any study waived under the provisions of this subsection shall be subject to no other review than that of the agency requesting information or data from educational agencies or institutions.

"(6) Nothing in this section shall be construed to interfere with the enforcement of the provisions of the Civil Rights Act of 1964 or any other nondiscrimination provision of Federal law.

42 USC 2000a note.

"(c) The Secretary shall, insofar as practicable, and in accordance with the provisions of this Act, provide educational agencies and institutions and other Federal agencies, pursuant to the requirement of section 406(f)(2)(A), with summaries of information collected and the data acquired by Federal agencies, unless such data were acquired on a confidential basis.

20 USC 1221e-1.

"(d) The Secretary shall, insofar as practicable—

Standard definitions and terms.

"(1) develop standard definitions and terms consistent, wherever possible, with those established by the Office of Federal Statistical Policy and Standards, Department of Commerce, to be used by all Federal agencies in dealing with education-related information and data acquisition requests;

Automated indexing system.

"(2) develop an automated indexing system for cataloging all available data;

Uniform reporting dates.

"(3) establish uniform reporting dates among Federal agencies for the information and data acquisition required after review under this section;

Listings, publication.

"(4) publish annually a listing of education data requests, by Federal agency, and for the programs administered in the Education Division, publish a listing annually of each such program with its appropriation and with the data burden resulting from each such program; and

Authority, identification.

"(5) require the Federal agency proposing the collection of information or data acquisition activity to identify in its data instrument the legislative auhority specifically requiring such col-

lection, if any, and require the responding educational agency or institution to make the same identification if it in turn collects such information or data from other agencies or individuals.

"(e)(1) Subject to the provisions of paragraph (2), the Secretary shall develop, in consultation with Federal and State agencies and local educational agencies, procedures whereby educational agencies and institutions are permitted to submit information required under any Federal educational program to a single Federal or State educational agency. Procedures, consultation.

"(2) Any procedures developed under paragraph (1) shall be considered regulations for the purpose of section 431 and shall be submitted subject to disapproval in accordance with section 431(e) of this Act for a period of not to exceed 60 days computed in accordance with such section. 20 USC 1232.

"(f) The Secretary shall submit a report to the Congress not less than once every three years, describing the implementation of this section. Such report shall contain recommendations for revisions to Federal laws which the Secretary finds are imposing undue burdens on educational agencies and institutions, and such recommendations shall not be subject to any review by any Federal agency outside the Department. Report and recommendations to Congress.

"(f)(1) The Secretary is authorized to make grants from sums appropriated pursuant to this subsection to State educational agencies, including State agencies responsible for postsecondary education, for the development or improvement of education management information systems. Education management information systems, grants.

"(2) Any State educational agency is eligible for a grant of funds under this subsection subject to the following conditions: Eligibility.

"(A) The agency agrees to use such funds for the development or improvement of its management information system and agrees to coordinate all data collection for Federal programs administered by the agency through such a system.

"(B) The agency agrees to provide funds to local educational agencies and institutions of higher education for the development or improvement of management information systems when such grants are deemed necessary by the State educational agency.

"(C) The State agency agrees to take specific steps, in cooperation with the Secretary and with local educational agencies or institutions of higher education in the State, as appropriate, to eliminate excessive detail and unnecessary and redundant information requests within the State and to achieve the collection of information in the most efficient and effective possible manner so as to avoid imposing undue burdens on local educational agencies or institutions of higher education.

"(g) For the purpose of carrying out this subsection— Appropriation authorization.

"(1) there are authorized to be appropriated for salaries and expenses $600,000 for fiscal year 1979, $1,000,000 for fiscal year 1980, and $1,200,000 for each of the two succeeding fiscal years;

"(2) there are authorized to be appropriated for grants under paragraph (6) the sums of $5,000,000 for fiscal year 1979, $25,000,000 for fiscal year 1980, and $50,000,000 for each of the two succeeding fiscal years; and

"(3) the sums appropriated according to paragraphs (1) and (2) shall be appropriated as separate line items.".

(c) Section 406 of such Act is amended— 20 USC 1221e-1.

(1) by striking out subsection (g), and

(2) by redesignating subsection (h), and all references thereto, as subsection (g).

SEC. 1213. Subpart 2 of part C of the General Education Provisions Act is amended by adding immediately before section 431 thereof the following new section:

"APPLICATIONS

20 USC 1231g.

"SEC. 430. (a) Notwithstanding any other provision of law, unless expressly in limitation of the provisions of this section, the Commissioner is authorized to provide for the submission of applications for assistance effective for three fiscal years under any applicable program with whatever amendments to such applications being required as the Commissioner determines essential.

Uniform submission dates, establishment.

"(b) The Commissioner shall, insofar as is practicable, establish uniform dates during the year for the submission of applications under all applicable programs and for the approval of such applications.

"(c) The Commissioner shall, insofar as is practicable, develop and require the use of—

"(1) a common application for grants to local educational agencies in applicable programs administered by State educational agencies in which the funds are distributed to such local agencies pursuant to some objective formula, and such application shall be used as the single application for as many of these programs as is practicable;

APPLICATIONS

"(2) a common application for grants to local educational agencies in applicable programs administered by State educational agencies in which the funds are distributed to such local agencies on a competitive or discretionary basis, and such application shall be used as the single application for as many of such programs as is practicable; and

"(3) a common application for grants to local educational agencies in applicable programs which are directly administered by the Commissioner, and such application shall be used as the single application for as many of these programs as is practicable.".

PART C—FEDERAL, STATE AND LOCAL RESPONSIBILITIES

STATE AND LOCAL ADMINISTRATION

SEC. 1231. (a) The General Education Provisions Act is further amended—

20 USC 1232d, 1226a-1.

(1) by redesignating section 435 as section 415, by inserting such section (as so redesignated) immediately after section 414, and by deleting such section from its previous location;

20 USC 1232f, 1221e-1a.

(2) by redesignating section 437 as section 406A, by inserting such section immediately after section 406, and by deleting such section from its previous location; and

20 USC 1232c, 1232e.

(3) by striking out sections 434 and 436 and by inserting immediately after section 433 the following new subpart:

"Subpart 3—Administration of Education Programs and Projects by States and Local Educational Agencies

"STATE EDUCATIONAL AGENCY MONITORING AND ENFORCEMENT

Plan submittal and requirements. 20 USC 1232c.

"SEC. 434. (a) In the case of any applicable program in which Federal funds are made available to local agencies in a State through or

under the supervision of a State board or agency, the Commissioner may require the State to submit a plan for monitoring compliance by local agencies with Federal requirements under such program and for enforcement by the State of such requirements. The Commissioner may require such plan to provide—

"(1) for periodic visits by State personnel of programs administered by local agencies to determine whether such programs are being conducted in accordance with such requirements;

"(2) for periodic audits of expenditures under such programs by auditors of the State or other auditors not under the control, direction, or supervision of the local educational agency; and

"(3) that the State investigate and resolve all complaints received by the State, or referred to the State by the Commissioner, relating to the administration of such programs.

"(b) In order to enforce the Federal requirements under any applicable program the State may— Enforcement.

"(1) withhold approval, in whole or in part, of the application of a local agency for funds under the program until the State is satisfied that such requirements will be met; except that the State shall not finally disapprove such an application unless the State provides the local agency an opportunity for a hearing before an impartial hearing officer and such officer determines that there has been a substantial failure by the local agency to comply with any of such requirements;

"(2) suspend payments to any local agency, in whole or in part, under the program if the State has reason to believe that the local agency has failed substantially to comply with any of such requirements, except that (A) the State shall not suspend such payments until fifteen days after the State provides the local agency an opportunity to show cause why such action should not be taken and (B) no such suspension shall continue in effect longer than sixty days unless the State within such period provides the notice for a hearing required under paragraph (3) of this subsection;

"(3) withhold payments, in whole or in part, under any such program if the State finds, after reasonable notice and opportunity for a hearing before an impartial hearing officer, that the local agency has failed substantially to comply with any of such requirements.

Any withholding of payments under paragraph (3) of this subsection shall continue until the State is satisfied that there is no longer a failure to comply substantially with any of such requirements.

"SINGLE STATE APPLICATION

"SEC. 435. (a) In the case of any State which applies, contracts, or submits a plan, for participation in any applicable program in which Federal funds are made available for assistance to local educational agencies through, or under the supervision of, the State educational agency of that State, such State shall submit (subject, in the case of programs under titles I and IV of the Elementary and Secondary Education Act of 1965, to the provisions of title V of such Act) to the Commissioner a general application containing the assurances set forth in subsection (b). Such application may be submitted jointly for all programs covered by the application, or it may be submitted separately for each such program or for groups of programs. Each application submitted under this section must be approved by each official, agency, 20 USC 1232d.

Ante, pp. 2153, 2229, 2240.

board, or other entity within the State which, under State law, is primarily responsible for supervision of the activities conducted under each program covered by the application.

Assurances.

"(b) An application submitted under subsection (a) shall set forth assurances, satisfactory to the Commissioner—

Administration.

"(1) that each program will be administered in accordance with all applicable statutes, regulations, program plans, and applications;

"(2) that the control of funds provided under each program and title to property acquired with program funds will be in a public agency, or in a nonprofit private agency, institution, or organization if the statute authorizing the program provides for grants to such entities, and that the public agency or nonprofit private agency, institution, or organization will administer such funds and property;

"(3) that the State will adopt and use proper methods of administering each applicable program, including—

"(A) monitoring of agencies, institutions, and organizations responsible for carrying out each program, and the enforcement of any obligations imposed on those agencies, institutions, and organizations under law,

"(B) providing technical assistance, where necessary, to such agencies, institutions, and organizations,

"(C) encouraging the adoption of promising or innovative educational techniques by such agencies, institutions, and organizations,

"(D) the dissemination throughout the State of information on program requirements and successful practices, and

"(E) the correction of deficiencies in program operations that are identified through monitoring or evaluation;

"(4) that the State will evaluate the effectiveness of covered programs in meeting their statutory objectives, at such intervals (not less often than once every three years) and in accordance with such procedures as the Commissioner may prescribe by regulation, and that the State will cooperate in carrying out any evaluation of each program conducted by or for the Secretary or other Federal official;

"(5) that the State will use fiscal control and fund accounting procedures that will ensure proper disbursement of, and accounting for, Federal funds paid to the State under each program;

Reports and records.

"(6) that the State will make reports to the Commissioner (including reports on the results of evaluations required under paragraph (4)) as may reasonably be necessary to enable the Commissioner to perform his duties under each program, and that the State will maintain such records, in accordance with the requirements of section 437 of this Act, and afford access to the records as the Commissioner may find necessary to carry out his duties; and

Post, p. 2346.

Program participation.

"(7) that the State will provide reasonable opportunities for the participation by local agencies, representatives of the class of individuals affected by each program and other interested institutions, organizations, and individuals in the planning for and operation of each program, including the following:

Consultation.

"(A) the State will consult with relevant advisory committees, local agencies, interest groups, and experienced professionals in the development of program plans required by statute;

"(B) the State will publish each proposed plan, in a manner that will ensure circulation throughout the State, at least sixty days prior to the date on which the plan is submitted to the Commissioner or on which the plan becomes effective, whichever occurs earlier, with an opportunity for public comments on such plan to be accepted for at least thirty days; Proposals, publication and comments.

"(C) the State will hold public hearings on the proposed plans if required by the Commissioner by regulation; and Hearings.

"(D) the State will provide an opportunity for interested agencies, organizations, and individuals to suggest improvements in the administration of the program and to allege that there has been a failure by any entity to comply with applicable statutes and regulations.

"(c) Each general application submitted under this section shall remain in effect for the duration of any program it covers. The Commissioner shall not require the resubmission or amendment of that application unless required by changes in Federal or State law or by other significant changes in the circumstances affecting an assurance in that application.

"SINGLE LOCAL EDUCATIONAL AGENCY APPLICATION

"SEC. 436. (a) Each local educational agency which participates in an applicable program under which Federal funds are made available to such agency through a State agency or board shall submit to such agency or board a general application containing the assurances set forth in subsection (b). That application shall cover the participation by that local education agency in all such programs. 20 USC 1232e.

"(b) The general application submitted by a local educational agency under subsection (a) shall set forth assurances— Assurances.

"(1) that the local educational agency will administer each program covered by the application in accordance with all applicable statutes, regulations, program plans, and applications; Administration.

"(2) that the control of funds provided to the local educational agency under each program and title to property acquired with those funds, will be in a public agency and that a public agency will administer those funds and property;

"(3) that the local educational agency will use fiscal control and fund accounting procedures that will ensure proper disbursement of, and accounting for, Federal funds paid to that agency under each program;

"(4) that the local educational agency will make reports to the State agency or board and to the Commissioner as may reasonably be necessary to enable the State agency or board and the Commissioner to perform their duties and that the local educational agency will maintain such records, including the records required under section 437, and provide access to those records, as the State agency or board or the Commissioner deem necessary to perform their duties; Reports and records.

"(5) that the local educational agency will provide reasonable opportunities for the participation by teachers, parents, and other interested agencies, organizations, and individuals in the planning for and operation of each program; Program participation.

"(6) that any application, evaluation, periodic program plan or report relating to each program will be made readily available to parents and other members of the general public; Public availability.

"(7) that in the case of any project involving construction—

"(A) the project is not inconsistent with overall State plans for the construction of school facilities, and

"(B) in developing plans for construction, due consideration will be given to excellence of architecture and design and to compliance with standards prescribed by the Secretary under section 504 of the Rehabilitation Act of 1973 in order to ensure that facilities constructed with the use of Federal funds are accessible to and usable by handicapped individuals; and

29 USC 794.

"(8) that the local educational agency has adopted effective procedures for acquiring and disseminating to teachers and administrators participating in each program significant information from educational research, demonstrations, and similar projects, and for adopting, where appropriate, promising educational practices developed through such projects.

"(c) A general application submitted under this section shall remain in effect for the duration of the programs it covers. The State agencies or boards administering the programs covered by the application shall not require the submission or amendment of such application unless required by changes in Federal or State law or by other significant change in the circumstances affecting an assurance in such application.".

20 USC 1088f-1.

(b) Section 497A(a) of the Higher Education Act of 1965 is amended by striking out "or of section 434(c) of the General Education Provisions Act.".

(c) Part C of the General Education Provisions Act is further amended by inserting immediately after section 436 the following:

"Subpart 4—Records; Privacy; Limitation on Withholding Federal Funds

"RECORDS

20 USC 1232f.

"SEC. 437. (a) Each recipient of Federal funds under any applicable program through any grant, subgrant, contract, subcontract, loan, or other arrangement (other than procurement contracts awarded by an administrative head of an educational agency) shall keep records which fully disclose the amount and disposition by the recipient of those funds, the total cost of the activity for which the funds are used, the share of that cost provided from other sources, and such other records as will facilitate an effective audit. The recipient shall maintain such records for five years after the completion of the activity for which the funds are used.

Audits, access.

"(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access, for the purpose of audit examination, to any records of a recipient which may be related, or pertinent to, the grants, subgrants, contracts, subcontracts, loans, or other arrangements to which reference is made in subsection (a), or which may relate to the compliance of the recipient with any requirement of an applicable program.".

ENFORCEMENT

20 USC 1221.

SEC. 1232. The General Education Provisions Act is amended by adding at the end thereof the following new part:

"PART E—ENFORCEMENT

"EDUCATION APPEAL BOARD

"SEC. 451. (a) The Commissioner shall establish in the Office of Education an Education Appeal Board (hereinafter in this part referred to as the 'Board') the functions of which shall be to conduct— Establishment and functions. 20 USC 1234.

"(1) audit appeal hearings pursuant to section 452 of this Act,

"(2) withholding hearings pursuant to section 453 of this Act,

"(3) cease and desist hearings pursuant to section 454 of this Act, and

"(4) other proceedings designated by the Commissioner.

"(b) The members of the Board shall be designated by the Secretary, in consultation with the Assistant Secretary for Education and the Commissioner, and may include individuals who are officers or employees of the United States, as well as individuals who are not full-time employees of the Federal Government. Membership.

"(c) The Board shall be composed of not less than fifteen nor more than thirty members, of whom no more than one-third shall be officers or employees of the Department. The Secretary shall designate one of the members of the Board to be the Chairman. Chairman.

"(d) For the purposes of conducting hearings as provided in subsection (a) the Chairman may appoint hearing panels of not less than three members of the Board, or the Chairman may designate the entire Board to sit as a panel for any case or class of cases. On any such panel— Hearing panels.

"(1) the majority of members shall not be individuals in the full-time employment of the Federal Government,

"(2) the membership shall not include any individual who is a party to, or has any responsibility for, any particular matter assigned to that panel, and

"(3) the Chairman of the Board shall designate one member of each such panel to be the presiding officer.

"(e) The proceedings of the Board shall be conducted according to such rules as the Commissioner shall prescribe by regulation in conformance with the rules relating to hearings in title 5, United States Code, sections 554, 556, and 557 respecting—

"(1) the receipt of oral or written testimony,

"(2) notice of the issues to be considered,

"(3) the right to counsel,

"(4) intervention of third parties,

"(5) transcripts of proceedings, and

"(6) such other matters as may be necessary to carry out the functions of the Board.

"(f) If there has been established within the Department of Health, Education, and Welfare an appeal board which the Commissioner determines is capable of carrying out the functions of the Board established under this section, he may, with the approval of the Secretary, designate such Department appeal board to carry out the functions of this section. Appeal board, designation.

"AUDIT DETERMINATIONS

"SEC. 452. (a) Whenever the Commissioner determines that an expenditure not allowable under a program listed in section 435(a) of this title, or conducted under title VI and title VII of the Elementary and Secondary Education Act of 1965 or under the Emergency School Aid Act, has been made by a State or by a local educational agency, or Notification. 20 USC 1234a. *Ante*, p. 2343. *Ante*, pp. 2252, 2268. *Ante*, p. 2252.

that a State or local educational agency has otherwise failed to discharge its obligation to account for funds under any such program, the Commissioner shall give such State or local educational agency written notice of a final audit determination, and he shall at the same time notify such State or agency of its right to have such determination reviewed by the Board.

Review, application.

"(b) A State or a local educational agency that has received written notice of a final audit determination and that desires to have such determination reviewed by the Board shall submit to the Board an application for review not later than thirty days after receipt of notification of the final audit determination. The application for review shall be in the form and contain the information specified by the Board. The Board shall return to the Commissioner for such action as he deems appropriate any final audit determination which, in the judgment of the Board, contains insufficient detail to identify with particularity those expenditures which are not allowable. Unless the Board determines that a final audit determination lacks sufficient detail, the burden shall be upon the State or local educational agency to demonstrate the allowability of expenditures disallowed in the final audit determination.

"(c) When a State or a local educational agency has submitted an application for review with respect to a final audit determination, no action shall be taken by the Commissioner to collect the amount determined to be owing until the Board has issued a final decision upholding the audit determination as to all or any part of such amount. The filing of such an application shall not affect the authority of the Commissioner to take any other adverse action against such State or agency under this part.

"(d) A decision of the Board with respect to an application for review under this section shall become final unless within sixty days following receipt by the State or by the local educational agency of written notice of the decision—

"(1) the Commissioner for good cause shown, modifies or sets aside the decision, in whole or in part, in which case the decision shall become final sixty days after such action by the Commissioner, or

"(2) the State or the local educational agency files a petition for judicial review as provided in section 455 of this Act.

"(e) A final audit determination by the Commissioner under subsection (a) with respect to which review has not been requested pursuant to subsection (b), or a final decision of the Board under this section upholding a final audit determination against a State or a local educational agency shall establish the amount of the audit determination as a claim of the United States which the State or the local educational agency shall be required to pay to the United States and which may be collected by the Commissioner in accordance with the Federal Claims Collection Act of 1966.

31 USC 951 note.

Claim compromises.

"(f)(1) Notwithstanding any other provision of law, the Commissioner may, subject to the notice requirements of paragraph (2), compromise any claim established under this section for which the initial determination was found to be not in excess of $50,000, where the Commissioner determines that (A) the collection of any or all of the amount thereof would not be practical or in the public interest, and (B) the practice which resulted in the claim has been corrected and will not recur.

Publication in Federal Register.

"(2) Not less than forty-five days prior to the exercise of the authority to compromise a claim pursuant to paragraph (1), the Commis-

sioner shall publish in the Federal Register a notice of his intention to do so. Such notice shall provide interested persons an opportunity to comment on any proposed action under this subsection through the submission of written data, views, or arguments. Comments.

"(g) No State and no local educational agency shall be liable to refund any amount expended under an applicable program which is determined to be unauthorized by law if that expenditure was made more than five years before that State or local educational agency is given the notice required by subsection (a).

"(h) The Secretary shall employ, assign, or transfer sufficient professional personnel to ensure that all matters brought before the Board may be dealt with in a timely manner.

"WITHHOLDINGS

"SEC. 453. (a) Whenever the Commissioner has reason to believe that any recipient of funds under any applicable program (other than a program to which regulations promulgated under section 497A of the Higher Education Act of 1965 apply), has failed to comply substantially with any requirement of law applicable to such funds, he shall notify such recipient in writing of his intention to withhold, in whole or in part, further payments under such program, including payments for State or local administrative costs, until he is satisfied that the recipient no longer fails to comply with such assurances or other terms. Notification. 20 USC 1234b. 20 USC 1088f-1.

"(b) The notification required under subsection (a) shall state (1) the facts upon which the Commissioner has based his belief and (2) a notice of opportunity for a hearing to be held on a date at least thirty days after the notification has been sent to the recipent. The hearing shall be held before the Board and shall be conducted in accordance with rules prescribed pursuant to section 451(e) of this Act. Notice and hearing.

"(c) Pending the outcome of any proceeding initiated under this section, the Commissioner may suspend payments to such a recipient, after such recipient has been given reasonable notice and opportunity to show cause why such action should not be taken.

"(d) The decision of the Board in any proceeding brought under this section shall become final unless within sixty days following receipt by the recipient of written notice of the decision—

"(1) the Commissioner for good cause shown, modifies, or sets aside the decision in whole or in part, in which case the decision as modified shall become final sixty days after such action by the Commissioner, or

"(2) the recipient files a petition for judicial review as provided in section 455 of this Act.

"CEASE AND DESIST ORDERS

"SEC. 454. (a) Whenever the Commissioner has reason to believe that any State or any local educational agency that receives funds under any applicable program has failed to comply substantially with any requirement of law applicable to such funds, in lieu of proceeding under section 453 of this Act, the Commissioner may issue and cause to be served upon such State or upon such local educational agency a complaint (1) stating the charges upon which his belief is based, and (2) containing a notice of a hearing to be held before the Board on a date at least thirty days after the service of that complaint. Complaints. 20 USC 1234c. Notice and hearing.

"(b) The State or the local educational agency upon which such a

complaint has been served shall have the right to appear before the Board on the date specified and to show cause why an order should not be entered by the Board requiring such State or such local educational agency to cease and desist from the violation of law charged in the complaint.

Testimony, filing. Report.

"(c) The testimony in any hearing held under this section shall be reduced to writing and filed with the Board. If upon that hearing the Board shall be of the opinion that the State or the local educational agency is in violation of any requirement of law as charged in the complaint, it shall make a report in writing stating its findings of fact and shall issue and cause to be served upon the State or the local educational agency an order requiring the State or the local educational agency to cease and desist from the practice, policy, or procedure which resulted in such violation.

"(d) The report and order of the Board shall become final on the sixtieth day following the date upon which the order of the Board was served upon the State or the local educational agency unless before that day the State or local educational agency files a petition for judicial review as provided in section 455 of this Act.

Enforcement.

"(e) A final order of the Board under this section may be enforced, as determined by the Commissioner, by—

"(1) the withholding of any portion of the amount payable, including amounts payable for administrative costs, under the affected program to the State or the local educational agency against which the final order has been issued, or

Certification.

"(2) the Commissioner certifying the facts to the Attorney General whose duty it shall be to cause appropriate proceeding to be brought for the enforcement of the order.

"JUDICIAL REVIEW

Entitlement. 20 USC 1234d.

"SEC. 455. (a) Any recipient of funds under an applicable program that would be adversely affected by any action under section 452, 453, or 454 of this Act, and any State entitled to receive funds under a program listed in section 435(a) of this title whose application therefor has been disapproved by the Commissioner, shall be entitled to judical review of such action in accordance with the provision of this section.

Ante, p. 2343.

Petition, filing and copy.

"(b) Any State, local educational agency, or other recipient entitled to judicial review under subsection (a) that desires such review of any action by the Commissioner or the Board qualifying for review under this section shall, within sixty days of that action, file with the United States Court of Appeals for the circuit in which that State, local educational agency, or other recipient is located, a petition for review of such action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which the action was based, as provided in section 2112 of title 28, United States Code.

"(c) The findings of fact by the Board, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Board to take further evidence, and the Board may thereupon make new or modified findings of fact and may modify its previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(d) The court shall have jurisdiction to affirm the action of the Board or the Commissioner or to set it aside, in whole or in part. The

judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"USE OF RECOVERED FUNDS

"SEC. 456. (a) Whenever the Commissioner has recovered funds following a final audit determination with respect to any applicable program, he may consider those funds to be additional funds available for that program and may arrange to repay to the State or the local agency affected by that action not to exceed 75 percent of those funds upon his determination that— State or local agency, repayment. 20 USC 1234e.

"(1) the practices or procedures of the State or local agency that resulted in the audit determination have been corrected, and that the State or the local agency is in all other respects in compliance with the requirement of that program;

"(2) the State or the local agency has submitted to the Commissioner a plan for the use of those funds pursuant to the requirements of that program and, to the extent possible, for the benefit of the population that was affected by the failure to comply or by the misexpenditures that resulted in the audit exception; and

"(3) the use of those funds in accordance with that plan would serve to achieve the purposes of the program under which the funds were originally granted.

"(b) Any payments by the Commissioner under this section shall be subject to such other conditions as the Commissioner deems necessary to accomplish the purposes of the affected programs, including—

"(1) the submission of periodic reports on the use of funds provided under this section; and

"(2) consultation by the State or local agency with parents or representatives of the population that will benefit from the payments.

"(c) Notwithstanding any other provisions of law, the Commissioner may authorize amounts made available under this section to remain available for expenditure, subject to such conditions as he deems appropriate, for up to three fiscal years following the fiscal year in which the audit determination referred to in subsection (a) was made.

"(d) At least thirty days prior to entering into an arrangement under this section, the Commissioner shall publish in the Federal Register a notice of his intent to do so and the terms and conditions under which payments will be made. Interested persons shall have an opportunity for at least thirty days to submit comments to the Commissioner regarding the proposed arrangement.". Notice, publication in Federal Register. Comments.

PART D—GENERAL ADMINISTRATIVE PROVISIONS

OFFICE OF NON-PUBLIC EDUCATION

SEC. 1241. Section 403 of the General Education Provisions Act is amended by adding at the end thereof the following new subsection: Establishment. 20 USC 1221c.

"(d)(1) There shall be, in the Office of Education, an Office of Non-Public Education to insure the maximum potential participation of nonpublic school students in all Federal educational programs for which such children are eligible.

"(2) The Office shall be headed by the Deputy Commissioner for Non-Public Education, who shall be appointed by the Commissioner.".

NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS

Grant or cooperative agreement.
20 USC 1221e.

SEC. 1242. Section 405 of the General Education Provisions Act is amended by adding at the end thereof the following new subsection:

"(k)(1) In addition to other responsibilities of the Institute under this section, the Institute shall carry out, by grant to or cooperative agreement (subject to the provisions of the Federal Grant and Cooperative Agreement Act of 1977) with a nonprofit education organization, a National Assessment of Educational Progress which shall have as a primary purpose the assessment of the performance of children and young adults in the basic skills of reading, mathematics, and communication. Such a National Assessment shall—

"(A) collect and report at least once every five years data assessing the performance of students at various age or grade levels in each of the areas of reading, writing, and mathematics;

"(B) report periodically data on changes in knowledge and skills of such students over a period of time;

"(C) conduct special assessments of other educational areas, as the need for additional national information arises; and

"(D) provide technical assistance to State educational agencies and to local educational agencies on the use of National Assessment objectives, primarily pertaining to the basic skills of reading, mathematics, and communication, and on making comparisons of such assessments with the national profile and change data developed by the National Assessment.

Management.

Assessment Policy Committee, establishment and membership.

"(2)(A) The education organization through which the Institute carries out the National Assessment shall be responsible for overall management of the National Assessment. Such organization shall delegate authority to design and supervise the conduct of the National Assessment to an Assessment Policy Committee established by such organization. The Assessment Policy Committee shall be composed of—

"(i) five members appointed by the education organization of whom two members shall be representatives of business and industry and three members shall be representatives of the general public, and

"(ii) twelve members appointed by the education organization from the categories of membership specified in subparagraph (B).

"(B) Members of the Assessment Policy Committee appointed in accordance with division (ii) of subparagraph (A) shall be—

"(i) one chief State school officer;

"(ii) two State legislators;

"(iii) two school district superintendents;

"(iv) one chairman of a State board of education;

"(v) one chairman of a local school board;

"(vi) one Governor of a State; and

"(vii) four classroom teachers.

"(C) The Director of the Institute shall serve as an ex officio member of the Assessment Policy Committee. The Director shall also appoint a member of the National Council on Education Research to serve as a nonvoting member of the Assessment Policy Committee.

"(D) Members appointed in accordance with divisions (i) and (ii) of subparagraph (A) shall be appointed for terms of three years, except that (i) in the case of members appointed for fiscal year 1979, one third of the membership shall be appointed for terms of one year each and one third shall be appointed for terms of two years each, and (ii) appointments to fill vacancies shall be for such terms as

remain unexpired. No member shall be appointed to serve more than two consecutive terms.

"(3) The Assessment Policy Committee established by paragraph (2) shall be responsible for the design of the National Assessment, including the selection of the learning areas to be assessed, the development and selection of goal statements and assessment items, the assessment methodology, the form and content of the reporting and dissemination of assessment results, and studies to evaluate and improve the form and utilization of the National Assessment. Duties.

"(4) Each learning area assessment shall have goal statements devised through a national consensus approach, providing for active participation of teachers, curriculum specialists, subject matter specialists, local school administrators, parents, and concerned members of the general public. All items selected for use in the assessment shall be reviewed to exclude items which might reflect racial, sex, cultural, or regional bias. Review.

"(5) Participation in the National Assessment by State and local educational agencies selected as part of a sample of such agencies shall be voluntary.

"(6) The Director of the Institute shall provide for a review of the National Assessment at least once every three years. This review shall provide an opportunity for public comment on the conduct and usefulness of National Assessment and shall result in a report to the Congress and to the Nation on the findings and recommendations, if any, stemming from the review. Review, comments and report to Congress.

"(7) There are authorized to be appropriated $10,500,000 for each fiscal year ending prior to October 1, 1983, to carry out the provisions of this subsection.". Appropriation authorization.

NATIONAL CENTER FOR EDUCATION STATISTICS

SEC. 1243. (a) Section 406(g) of the General Education Provisions Act (as redesignated by section 1212(c)) is amended by striking out "October 1, 1978" both places it appears therein, and by inserting instead "October 1, 1983". *Ante*, p. 2341.

(b)(1) Section 408(a) of such Act is amended by inserting "or by delegation of authority pursuant to law" immediately after "vested in him by law". 20 USC 1221e-3.

(2) Section 408(a)(1) of that Act is amended by inserting after "operation of" a comma and the following: "and governing the applicable programs administered by".

GENERAL AUTHORITY OF ADMINISTRATIVE HEADS OF EDUCATION AGENCIES

SEC. 1244. Section 408 of the General Education Provisions Act is further amended by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and by inserting immediately after subsection (a) the following new subsection: Contracts, qualifications and terms, public availability.

"(b) The administrative head of an education agency shall ensure that, in contracting under the authority of this section for the services of independent persons in the competitive review of grant applications, all such persons are qualified, by education and experience, to perform such services. The qualifications of such persons and the terms of such contracts, other than information which identify such person, shall be readily made available to the public.".

(4) Section 408(d) of such Act (as redesignated by paragraph (3) of this subsection) is amended by striking out "For the purposes of

this section" and inserting in lieu thereof "For the purposes of this title".

AVAILABILITY OF APPROPRIATIONS

20 USC 1225.

SEC. 1245. (a) Section 412(b) of the General Education Provisions Act is amended by striking out "ending prior to October 1, 1979.".

(b) Section 412(b) of such Act is further amended by inserting "(1)" immediately after the subsection designation thereof and by inserting at the end of subsection (b) the following new paragraph:

"(2) Any funds under any applicable program which, pursuant to paragraph (1), are available for obligation and expenditure in the year succeeding the fiscal year for which they were appropriated shall be obligated and expended in accordance with—

"(A) the Federal statutory and regulatory provisions relating to such program which are in effect for such succeeding fiscal year, and

"(B) any program plan or application submitted by such educational agencies or institutions for such program for such succeeding fiscal year.".

EVALUATION

20 USC 1226c.

SEC. 1246. (a) Section 417(a)(1) of the General Education Provisions Act is amended by adding, after "effectiveness of applicable programs", the following: "(including compliance with provisions of law requiring the maintenance of non-Federal expenditures for the purposes of such applicable programs)".

(b) Section 417(a)(1) is further amended by striking out "Committee on Labor and Public Welfare" and inserting in lieu thereof "Committee on Human Resources".

20 USC 1226d.

(c) Section 418(b)(1)(A) of such Act is amended by adding, after "expenditures", the following: "(including, where applicable, State and local expenditures)".

REVIEW OF APPLICATIONS

20 USC 1231b-2.

SEC. 1247. Section 425(a) of General Education Provisions Act is amended by striking out "or (3)" and inserting in lieu thereof the following: "(3) ordering, in accordance with a final State audit resolution determination, the repayment of misspent or misapplied Federal funds, or (4)".

TECHNICAL ASSISTANCE; DISSEMINATION

Contracts and grants, awards.
20 USC 1231c.

SEC. 1248. Section 426 of the General Education Provisions Act is amended by redesignating subsection (c) of such section as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) In awarding contracts and grants for the development of curricula or instructional materials, the Commissioner and the Director of the National Institute of Education shall—

"(1) encourage applicants to assure that such curricula or instructional materials will be developed in a manner conducive to dissemination through continuing consultations with publishers, personnel of State and local educational agencies, teachers, administrators, community representatives, and other individuals experienced in such dissemination;

"(2) permit applicants to include provision for reasonable consultation fees or planning costs; and

"(3) insure that grants to public agencies and nonprofit private organizations and contracts with public agencies and private organizations for publication and dissemination of curricula or instructional materials, or both, are awarded competitively to such agencies and organizations which provide assurances that the curricula and instructional materials will reach the target populations for which they were developed.".

MAINTENANCE OF EFFORT

SEC. 1249. Section 431A of the General Education Provisions Act is amended to read as follows:

"MAINTENANCE OF EFFORT DETERMINATION

"SEC. 431A. (a) In prescribing regulations for carrying out the requirements of section 403(a)(10) for fiscal year 1979 and section 404(a)(7) for subsequent fiscal years of the Elementary and Secondary Education Act of 1965 and section 307(b) of the Adult Education Act, the Commissioner shall determine the amount so expended on the basis of per pupil or aggregate expenditures. 20 USC 1232-1. 20 USC 1803, 3084. 20 USC 821 note, 1206.

"(b) The Commissioner may waive, for one fiscal year only, the requirements of this section if he determines that such a waiver would be equitable due to exceptional and unforeseen circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the local educational agency. In any case in which a waiver under this subsection is granted the Commissioner shall reduce the amount of the Federal payment for the program affected for the current fiscal year in the exact proportion to which the amount expended (either on an average per pupil or aggregate basis) was less than the amount required by section 403(a)(10) for fiscal year 1979, and section 404(a)(7) for subsequent fiscal years of the Elementary and Secondary Education Act of 1965 or section 307(b) of the Adult Education Act. No level of funding permitted under such a waiver may be used as the basis for computing the fiscal effort required, under such sections, for years subsequent to the year covered by such waiver; such fiscal effort shall be computed on the basis of the level of funding which would, but for such waiver, have been required. Waiver. 20 USC 1232-1.

"(c) The Commissioner shall establish objective criteria of general applicability to carry out the waiver authority contained in this section. Criteria.

"(d) This section shall be effective with respect to each requirement to which it applies, during the period which begins on the date of the enactment of the Education Amendments of 1978, and ends on the date of termination of the program to which the requirement applies. For purposes of the preceding sentence, a program shall be considered to terminate on September 30 of the fiscal year, if any, during which such program is automatically extended pursuant to section 414 of the General Education Provisions Act.". 20 USC 1226a.

PROTECTION OF PUPIL RIGHTS

SEC. 1250. Section 439 of the General Education Provisions Act (relating to protection of pupil rights) is amended by inserting "(a)" 20 USC 1232h.

after "439" and by adding at the end thereof a new subsection as follows:

"(b) No student shall be required, as part of any applicable program, to submit to psychiatric examination, testing, or treatment, or psychological examination, testing, or treatment, in which the primary purpose is to reveal information concerning:

"(1) political affiliations;

"(2) mental and psychological problems potentially embarrassing to the student or his family;

"(3) sex behavior and attitudes;

"(4) illegal, anti-social, self-incriminating and demeaning behavior;

"(5) critical appraisals of other individuals with whom respondents have close family relationships;

"(6) legally recognized privileged and analogous relationships, such as those of lawyers, physicians, and ministers; or

"(7) income (other than that required by law to determine eligibility for participation in a program or for receiving financial assistance under such program), without the prior consent of the student (if the student is an adult or emancipated minor), or in the case of unemancipated minor, without the prior written consent of the parent.".

PART E—EFFECTIVE DATES

EFFECTIVE DATES

20 USC 1232c note.

SEC. 1261. The amendments made by section 1231 shall take effect with respect to appropriations for fiscal year 1980 and subsequent fiscal years. The amendments made by section 1232 shall take effect 120 days after the enactment of this Act.

TITLE XIII—REVISION OF OTHER EDUCATION PROGRAMS

PART A—ADULT EDUCATION

STATEMENT OF PURPOSE

SEC. 1301. Section 302 of the Adult Education Act (hereafter in this part referred to as the "Act") is amended to read as follows:

"STATEMENT OF PURPOSE

20 USC 1201.

"SEC. 302. It is the purpose of this title to expand educational opportunities for adults and to encourage the establishment of programs of adult education that will—

"(1) enable all adults to acquire basic skills necessary to function in society,

"(2) enable adults who so desire to continue their education to at least the level of completion of secondary school, and

"(3) to make available to adults the means to secure training that will enable them to become more employable, productive, and responsible citizens.".

DEFINITION OF ADULT EDUCATION

SEC. 1302. Section 303(b) of the Act is amended by inserting "lack sufficient mastery of basic educational skills to enable them to function effectively in society or who" immediately after "(1)". 20 USC 1202.

GRANTS TO STATES

SEC. 1303. (a) Section 304 of the Act is amended by striking out "private nonprofit agencies" each place it appears and inserting in lieu thereof "by public or private nonprofit agencies, organizations, and institutions" and by adding at the end thereof the following: "Grants provided under this section to States to carry out the programs described in the preceding sentence may be carried out by public or private nonprofit agencies, organizations, and institutions only if the applicable local educational agency has been consulted with and has had an opportunity to comment on the application of such agency, organization, or institution. The State educational agency shall not approve any application unless assured that such consultation has taken place. Such application shall contain a description of the cooperative arrangements that have been made to deliver services to adult students.". Consultation and comments. 20 USC 1203.

(b) Section 304 of such Act is further amended by redesignating subsection (b) as subsection (a) and by adding at the end thereof the following new subsection:

"(b) Not more than 20 per centum of the funds granted to any State under subsection (a) for any fiscal year shall be used for the education of institutionalized individuals.".

NORTHERN MARIANA ISLANDS

SEC. 1304. (a) Section 303(g) is amended by inserting "the Northern Mariana Islands," immediately after "the Pacific Islands,".

(b) Section 305(a) of the Act is amended by inserting "the Northern Mariana Islands," immediately after "the Pacific Islands,". 20 USC 1204.

STATE PLANS

SEC. 1305. Section 306 of the Act is amended to read as follows:

"STATE PLANS

"SEC. 306. (a) A State shall be eligible to receive its allotment under section 305 if— Allotment eligibility. 20 USC 1205.

"(1) it has on file with the Commissioner a general State application under section 434 of the General Education Provisions Act, and *Ante*, p. 2342.

"(2) it has submitted to the Commissioner at such times (not more frequently than one every three years), and in such detail, as the Commissioner shall prescribe a State plan meeting the requirements of subsection (b).

"(b) A State plan under this title shall— Funds program.

"(1) set forth a program for the use of funds provided under this title to carry out the purposes stated in section 302 with respect to all segments of the adult population in the State, including residents of rural areas, residents of urban areas with high *Ante*, p. 2356.

rates of unemployment, adults with limited English language skills, and institutionalized adults;

"(2) provide for the administration of the program by the State educational agency;

"(3) describe the procedures the State will use to ensure that in carrying out such program there will be adequate consultation, cooperation, and coordination among the State educational agency, State manpower service councils, State occupational information systems, and other agencies, organizations, and institutions in the State which operate employment and training programs or other educational or training programs for adults; and for coordination of programs carried on under this title with other programs, including reading improvement programs, designed to provide reading instruction for adults carried on by State and local agencies;

"(4) identify (A) the needs of the population of the State for services authorized under this title, (B) the other resources in the State available to meet those needs, and (C) the goals the State will seek to achieve in meeting those needs over the period covered by the plan;

"(5) provide that such agency will make available not to exceed 20 per centum of the State's allotment for programs of equivalency for a certificate of graduation from a secondary school;

"(6) provide such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid the State under this title (including such funds paid by the State to local educational agencies and public or private nonprofit agencies, organizations, and institutions);

"(7) describe the means by which the delivery of adult education services will be significantly expanded through the use of agencies, institutions, and organizations other than the public school systems, such as business, labor unions, libraries, institutions of higher education, public health authorities, antipoverty programs, and community organizations;

"(8) describe the means by which representatives of business and industry, labor unions, public and private educational agencies and institutions, churches, fraternal and voluntary organizations, community organizations, State and local manpower and training agencies, and representatives of special adult populations, including residents of rural areas, residents of urban areas with high rates of unemployment, adults with limited English language skills, and institutionalized adults, and other entities in the State concerned with adult education have been involved in the development of the plan and will continue to be involved in carrying out the plan, especially with regard to the expansion of the delivery of adult education services through those agencies, institutions, and organizations;

"(9) describe the efforts to be undertaken by the State to assist adult participation in adult education programs through flexible course schedules, convenient locations, adequate transportation, and meeting child care needs;

"(10) provide that special emphasis be given to adult basic education programs except where such needs are shown to have been met in the State;

best copy available

"(11) provide that special assistance be given to the needs of persons with limited English proficiency (as defined in section 703 (a) of title VII of the Elementary and Secondary Education Act of 1965) by providing a bilingual adult education program of instruction in English and, to the extent necessary to allow such persons to progress effectively through the adult education program, in the native language of such persons, carried out in coordination with programs of bilingual education assisted under title VII and bilingual vocational education programs under the Vocational Education Act of 1963;

Ante, p. 2269.

Ante, p. 2268.

"(12) demonstrate that the special educational needs of adult immigrants in the State have been examined, and provide for the implementation of adult education and adult basic education programs for immigrants to meet existing needs;

20 USC 2301 note.

"(13) set forth the criteria by which the State will evaluate the quality of proposals from local agencies, organizations, and institutions; and

"(14) provide such further information and assurances as the Commissioner may by regulation require, including information regarding the extent to which the goals of the program have been achieved during the preceding three years.

"(c) The Commissioner shall not finally disapprove any State plan submitted under this title, or any modification thereof, without first affording the State educational agency reasonable notice and opportunity for a hearing.".

Notice and hearing.

PAYMENTS

SEC. 1306. Section 307 of the Act is amended to read as follows:

"PAYMENTS

"SEC. 307. (a) The Federal share of expenditures to carry out a State plan shall be paid from a State's allotment available for grants to that State. The Federal share shall be 90 per centum of the cost of carrying out the State's programs, except that with respect to Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, the Federal share shall be 100 per centum.

Federal share.
20 USC 1206.

"(b) No payment shall be made to any State from its allotment for any fiscal year unless the Commissioner finds that the fiscal effort per student or the amount available for expenditure by such State for adult education from non-Federal sources for the preceding fiscal year was not less than such fiscal effort per student or such amount available for expenditure for such purposes from such sources during the second preceding fiscal year, but no State shall be required to use its funds to supplant any portion of the Federal share.".

RESEARCH, EVALUATION, AND CLEARINGHOUSE

SEC. 1307. (a) The Act is amended—

(1) by redesignating section 309, relating to use of funds for special experimental demonstration projects and teacher training, as section 310,

20 USC 1208.

(2) by striking out section 309A, relating to the clearinghouse on an adult education, and

20 USC 1208-1.

20 USC 1208a, 1208b, 1209, 1210, 1211, 1211a, 1211b.

(3) by redesignating section 310, relating to special projects for the elderly, section 310A, relating to State Advisory Councils, section 311, relating to the National Advisory Council on Adult Education, section 312, relating to limitations, section 313, relating to authorizations, section 314, relating to Indian programs, section 315, relating to Indochinese refugees, as sections 311, 312, 313, 314, 315, 316, and 317, respectively.

(b) The Act is further amended by inserting after section 308 the following new section:

"RESEARCH, DEVELOPMENT, DISSEMINATION, EVALUATION, AND INFORMATION CLEARINGHOUSE

Programs, grants and contracts. 20 USC 1207a.

"SEC. 309. (a)(1) Subject to appropriations under this section, the Commissioner shall directly, and through grants and contracts with public and private nonprofit agencies, institutions, and organizations, carry out a program—

"(A) to develop new and promising approaches and innovative methods which are designed to address those problems and which may have national significance or be of special value in promoting effective programs under this Act, including one-year grants to States to plan for the expansion of their systems for the delivery of adult education services;

"(B) to determine, using appropriate objective evaluation criteria, which projects and approaches assisted under clause (A) and under section 310 of this Act have achieved their stated goals and are capable of achieving comparable levels of effectiveness at additional locations; and

Ante, p. 2359.

"(C) to disseminate throughout the Nation information about those approaches or methods pertaining to adult basic education which are most effective, by establishing and operating a clearinghouse on adult education which shall collect, select, and disseminate to the public information pertaining to the education of adults, those approaches and methods of educating adults which are most effective, and ways of coordinating adult education programs with manpower and other education programs.

"(2) The Commissioner shall directly, and through grants and contracts with public and private agencies, institutions and organizations, evaluate the effectiveness of programs conducted under section 304 of this Act.

20 USC 1203.

"(b) In addition to the responsibilities of the Director under section 405 of the General Education Provisions Act and subject to appropriations under this section, the Director of the National Institute of Education, in consultation with the Commissioner, shall directly, and through grants and contracts with public and private agencies, institutions, and organizations, carry out a program to conduct research on the special needs of individuals requiring adult education.

20 USC 1221e.

Appropriation authorization.

"(c) There are authorized to be appropriated for the purposes of this section $1,500,000 for the fiscal year ending September 30, 1980, $2,000,000 for the fiscal year ending September 30, 1981, and $3,000,000 for each succeeding fiscal year prior to October 1, 1983.".

SPECIAL PROJECTS FOR THE ELDERLY

20 USC 1208a.

SEC. 1308. Section 311 of the Act (as redesignated by section 1307) is amended by striking out "October 1, 1978 and for the period begin-

ning July 1, 1976 and ending September 30, 1976" and inserting in lieu thereof "October 1, 1983".

NATIONAL ADVISORY COUNCIL

SEC. 1309. Section 313(b) of the Act (as redesignated by section 1307) is amended by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1984". 20 USC 1209.

AUTHORIZATION OF APPROPRIATIONS

SEC. 1310. Section 315 of the Act (as redesignated by section 1307) is amended to read as follows:

"APPROPRIATIONS AUTHORIZED

"SEC. 315. (a) Except as otherwise provided, there are authorized to be appropriated $210,000,000 for fiscal year 1979; $230,000,000 for fiscal year 1980; $250,000,000 for fiscal year 1981; $270,000,000 for fiscal year 1982; and $290,000,000 for fiscal year 1983 to carry out the provisions of this title. 20 USC 1211.

"(b) There are further authorized to be appropriated for each such fiscal year such sums, not to exceed 5 per centum of the amount appropriated pursuant to subsection (a) for that year, as may be necessary to pay the cost of the administration and development of State plans, and other activities required pursuant to this title. The amount provided to a State under this subsection shall not be less than $50,000 for any fiscal year, except that such amount shall not be less than $25,000 in the case of Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.".

EDUCATIONAL OPPORTUNITIES FOR ADULT INDIANS

SEC. 1311. (a)(1) Section 314(a)(4) of the Act (as redesignated by section 307) is amended by striking out "on Indian reservations" and inserting in lieu thereof "among Indians". 20 USC 1211a.

(2) Section 314 of the Act (as redesignated by section 1307) is amended by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e) respectively, and by inserting immediately after subsection (a) the following new subsection:

"(b) The Commissioner is also authorized to make grants to Indian tribes, Indian institutions, and Indian organizations to develop and establish educational services and programs specifically designed to improve educational opportunities for Indian adults.". Grants.

(b) Section 316(e) of the Act (as redesignated by section 1307) is amended by redesignating subsections (b), (c), and (d) as subsections "October 1, 1983".

INDOCHINA REFUGEES

SEC. 1312. Section 317(a) of the Act (as redesignated by section 1307) is amended by striking out "1977" and inserting in lieu thereof "1983". 20 USC 1211b.

ADULT EDUCATION PROGRAM FOR IMMIGRANTS

SEC. 1313. The Act is further amended by adding at the end thereof the following:

"ADULT EDUCATION PROGRAM FOR ADULT IMMIGRANTS

Grants and contracts.
20 USC 1211c.

"SEC. 318. (a) The Commissioner is authorized to enter into grants and contracts with State and local education agencies and other public or private nonprofit agencies, organizations, or institutions to provide programs of adult education and adult basic education to immigrant adults in need of such services. Such grants and contracts may be used for—

"(1) programs of instruction of adult immigrants in basic reading, mathematics, development, and enhancement of necessary skills, and promotion of literacy among adult immigrants for the purpose of enabling them to become productive members of American society;

"(2) administrative costs of planning and operating such programs of instruction;

"(3) educational support services which meet the need of adult immigrants including but not limited to guidance and counseling with regard to educational, career, and employment opportunities; and

"(4) special projects designed to operate in conjunction with existing Federal and non-Federal programs and activities to develop occupational and related skills for individuals, particularly programs authorized under the Comprehensive Employment and Training Act of 1973 or under the Vocational Education Act of 1963.

Ante, p. 1909.
20 USC 2301 note.

"(b)(1) Any applicant for a grant or contract under this section shall first submit its application to the State educational agency. The State educational agency shall expeditiously review and make recommendations to the Commissioner regarding the quality of each such application, consistent with the purposes of section 306(b) (12) and (13) of this title. A copy of the recommendations made by the State educational agency shall be simultaneously submitted to the applicant.

Application submittal, review, and recommendations.

Ante, p. 2359.

"(2) Any applicant which has submitted an application in accordance with paragraph (1) of this subsection, which is dissatisfied with the action of the appropriate State educational agency may petition the Commissioner to request further consideration by the Commissioner of such application.

"(c) Applications for a grant or contract under this section shall be submitted at such time, in such manner, and contain such information as the Commissioner may reasonably require.

20 USC 1204.
Ante, p. 2359.

"(d) Notwithstanding the provisions of sections 305 and 307(a), the Commissioner shall pay all the costs of applications approved by him under this section.

"(e) Not less than 50 per centum of the funds appropriated under this section shall be used by the Commissioner to enter into contracts with private nonprofit agencies, organizations, and institutions.

Appropriation authorization.

"(f) For the purposes of making grants and entering into contracts under this section, there is hereby authorized to be appropriated such sums as may be necessary for fiscal year 1979 and each of the four succeeding fiscal years.".

PART B—HIGHER EDUCATION

TEACHER TRAINING PROGRAMS

Appropriation authorization.
20 USC 1119.

SEC. 1321. (a)(1) Section 531 of the Higher Education Act of 1965 is amended by striking out "and for each of the fiscal years ending

prior to October 1, 1979," and inserting in lieu thereof the following: "and the fiscal year 1978, and $100,000,000 for the fiscal year 1979,".

(2) Section 531 of such Act is further amended by inserting at the end thereof the following new sentence: "In the event that sums exceeding $50,000,000 are appropriated in any fiscal year for purposes of carrying out this part, each State shall receive grants sufficient to assure the establishment of one such teacher center in that State in such fiscal year." 20 USC 1119.

(b)(1) Section 532(c)(1) of such Act is amended by inserting after "local educational agencies" the following: "or any consortium of local educational agencies (including statewide programs)". 20 USC 1119a.

(2) Section 532(c)(2) of such Act is amended by adding at the end thereof the following new sentence: "The Commissioner shall, upon receipt of such petition, request further consideration by the State educational agency.".

(3) Section 532(c) of such Act is amended by adding at the end thereof the following new paragraph: Application, transmittal.

"(3) If, subsequent to the expiration of thirty days after the Commissioner's petitioning the State educational agency, such agency has not transmitted such application, then such application shall be transmitted to the Commissioner along with the comments and evaluation of the State educational agency.".

AMENDMENT FOR ADVANCES FOR RESERVED FUNDS OF STATE LOAN INSURANCE PROGRAMS

SEC. 1322. (a) Section 422(c)(5) of the Higher Education Act of 1965 is amended by striking out "the effective date of this subsection" each place it appears in subparagraphs (A) and (B) and inserting in lieu thereof "the date of enactment of this subsection". 20 USC 1072.

(b) The amendments made by subsection (a) of this section shall take effect on October 1, 1977. Effective date. 20 USC 1072 note.

DIRECT LOANS TO STUDENTS; CONFORMING AMENDMENT

SEC. 1323. (a) Section 465(a)(2)(A) is amended by striking out "described in clause (A), (B), or (C) of section 103(a)(2) of title I of the Elementary and Secondary Education Act of 1965 (using a low-income factor of $3,000)" and inserting in lieu thereof "counted under section 111(c) of the Elementary and Secondary Education Act of 1965". 20 USC 1087ee.

Ante, p. 2153.

PART C—INDOCHINESE REFUGEE CHILDREN

EXTENTION OF PROGRAM

SEC. 1331. (a) Section 201(a) of the Indochina Refugee Children Assistance Act of 1976 is amended by inserting after "1977" a comma and the following: ", and for the period beginning October 1, 1978, and ending September 30, 1981". 20 USC 1211b note.

(b) Section 201(a)(3) of such Act is amended by inserting before the period at the end thereof a comma and the following: "and who are paroled into the United States by the Attorney General pursuant to section 212(d)(5) of the Immigration and Naturalization Act on or after January 1, 1977". 8 USC 1182.

20 USC 1211b note.

(c)(1) Section 202(a) of such Act is amended by inserting after "1977" a comma and the following: "and for the period October 1, 1978, through September 30, 1981".

(2)(A) Section 202(b)(1) of such Act is amended by striking out "is entitled" and inserting "is eligible to receive" and by inserting after "1977" a comma and the following: "and for fiscal year 1979 and for each succeeding fiscal year ending prior to October 1, 1981".

(B) Section 202(b)(1) of such Act is further amended by striking out clauses (B) and (C) of such section and inserting in lieu thereof "(B) an amount not to exceed $450.".

20 USC 1211b note.

(d) Section 203 of such Act is amended by striking out everything after "may be used" and inserting in lieu thereof "only in accordance with the provisions of section 103".

20 USC 1211b note.

(e) Section 204(a) of such Act is amended by inserting after "1977" a comma and the following: "and for the period October 1, 1978, through September 30, 1981".

Applications.
20 USC 1211b note.

(f) Section 205(a)(3) of such Act is amended to read as follows:

"(3) provide such data and assurances as the Commissioner may prescribe—

"(A) to demonstrate that the costs of the additional services for which the payment will be made are the direct result of the presence of Indochinese refugee children and that those additional instructional services will actually be provided to those children for the duration of the period for which assistance is made available under this title; and

"(B) to demonstrate that such payments are distributed between the State educational agency and the local educational agencies within the State in proportion to the contribution to such costs by each such agency;".

20 USC 1211b note.

(g) Section 206(b) of such Act is amended by striking out "1 per centum" and inserting in lieu thereof "5 per centum".

20 USC 1211b note.

(h) Section 208 of such Act is amended by inserting after "1977" a comma and the following: "and for fiscal year 1979 and for each succeeding fiscal year ending prior to October 1, 1982".

(i) The heading of title II of such Act is amended to read as follows:

"TITLE II—PROGRAM FOR SUBSEQUENT FISCAL YEARS".

PART D—EDUCATION OF THE HANDICAPPED

TECHNICAL AMENDMENT

20 USC 1411.

SEC. 1341. (a) Section 611(a)(3) of the Education of the Handicapped Act is amended by striking out "the average of the", and by striking out "October 1 and February 1" and inserting in lieu thereof "December 1".

20 USC 1411 note.

(b) The amendments made by subsection (a) of this section shall take effect with respect to determinations made in fiscal year 1979 and thereafter.

PART E—GUIDANCE AND COUNSELING

EXTENSION OF PROGRAM

20 USC 2532.

SEC. 1351. Section 342(a) of the Education Amendments of 1976 is amended by striking out "fiscal year 1978 and 1979" and inserting in lieu thereof "fiscal years 1978 through 1983".

TITLE XIV—OVERSEAS DEFENSE DEPENDENTS' EDUCATION

Defense Dependents' Education Act of 1978.

SHORT TITLE

SEC. 1401. This title may be cited as the "Defense Dependents' Education Act of 1978". 20 USC 921 note.

ESTABLISHMENT OF DEFENSE DEPENDENTS' EDUCATION SYSTEM

SEC. 1402. (a) The Secretary of Defense shall establish and operate a program (hereinafter in this title referred to as the "defense dependents' education system") to provide a free public education through secondary school for dependents in overseas areas. 20 USC 921.

(b) (1) The Secretary shall ensure that individuals eligible to recieve a free public education under subsection (a) receive an education of high quality.

(2) In establishing the defense dependents' education system under subsection (a), the Secretary shall provide programs designed to meet the special needs of—

(A) the handicapped,
(B) individuals in need of compensatory education,
(C) individuals with an interest in vocational education,
(D) gifted and talented individuals, and
(E) individuals of limited English-speaking ability.

(3) The Secretary shall provide a developmental preschool program to individuals eligible to receive a free public education under subsection (a) who are of preschool age if a preschool program is not otherwise available for such individuals and if funds for such a program are available.

OFFICE OF DEPENDENTS' EDUCATION

SEC. 1403. (a) (1) There is established within the Department of Defense an office to be known as the Office of Dependents' Education. Establishment. 20 USC 922.

(2) The Office of Dependents' Education shall be headed by a Director of Dependents' Education (hereinafter in this title referred to as the "Director"), who shall be a civilian and who shall be selected by the Secretary of Defense and shall report to the Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics. Director.

(b) Except with respect to the authority to prescribe regulations, the Secretary of Defense may carry out his functions under this Act through the Director.

(c) The Director shall— Duties.

(1) establish personnel policies, consistent with the Defense Department Overseas Teachers Pay and Personnel Practices Act, for employees in the defense dependents' education system,

(2) have authority to transfer professional employees in the defense dependents' education system from one position to another.

(3) prepare a unified budget for each fiscal year, which shall include necessary funds for construction and operation and maintenance of facilities, for the defense dependents' education system for inclusion in the Department of Defense budget for that year,

(4) have authority to establish, in accordance with section 1410, local school advisory committees,

(5) have authority to arrange for inservice and other training programs for employees in the defense dependents' education system, and

(6) perform such other functions as may be required or delegated by the Secretary of Defense or the Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics.

Offices.

(d)(1) The Director shall establish appropriate regional or area offices for the Office of Dependents' Education in order to provide for thorough and efficient administration of the defense dependents' education system.

Reports to Congress.

(2) Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to the Congress a report (A) describing the organization of the Office of Dependents' Education in accordance with paragraph (1), (B) describing the assignment of personnel to the central office of the Office of Dependents' Education and to such regional or area offices as are established pursuant to paragraph (1), and (C) detailing the personnel requirements of the defense dependents' education system. Whenever the Office of Dependents' Education is reorganized after the submission of the report required under the preceding sentence, the Secretary of Defense shall submit an additional report to the Congress describing the reorganization.

(3) Subject to the approval of the Secretary of Defense, the Office of Dependents' Education is authorized an appropriate number of civilian employees in its central office and such regional or area office as are established pursuant to paragraph (1).

TUITION-PAYING STUDENTS

Enrollment authorization.
20 USC 923.

SEC. 1404. (a) Subject to subsection (b) and in accordance with regulations issued under subsection (c), the Director may authorize the enrollment in a school of the defense dependents' education system of a child not otherwise eligible to enroll in such a school if and to the extent that there is space available for such child in the school.

Payment, rate.

(b)(1) Except as otherwise provided under subsection (c), any child permitted to enroll in a school of the defense dependents' education system under this section shall be required to pay tuition at a rate determined by the Secretary of Defense, which shall not be less than the rate necessary to defray the average cost of the enrollment of children in the system under this section.

(2) Amounts received under paragraph (1) shall be available to the defense dependents' education system to assist in defraying the cost of enrollment of children in the system under this section.

Regulations.

(c) The Secretary of Defense may by regulation identify classes of children who shall be eligible to enroll in schools of the defense dependents' education system under this section if and to the extent that there is space available, establish priorities among such classes, waive the tuition requirement of subsection (b)(1) with respect to any such class, and issue such other regulations as may be necessary to carry out this section.

ANNUAL EDUCATIONAL ASSESSMENT

20 USC 924.

SEC. 1405. (a) The Director shall assess each year the performance of the defense dependents' education system in providing an education of high quality to children enrolled in the system. Such assessment may include the use of educational assessment measures and such other

means as the Director determines to be suitable for assessing student performance.

(b) The results of each annual assessment under subsection (a) with respect to an individual enrolled in the defense dependents' education system shall be made available to the sponsor of such individual, and summary results of each such annual assessment shall be made available to Members of Congress and to professional employees in the system. Results, availability.

SCHOOL CONSTRUCTION BY THE DIRECTOR OF DEPENDENTS' EDUCATION

SEC. 1406. The President shall include in his budget for each fiscal year a separate request for funds for construction of school facilities by the Director. 20 USC 925.

SCHOOL SYSTEM FOR DEPENDENTS IN OVERSEAS AREAS

SEC. 1407. (a) The Secretary of Defense shall establish and operate a school system for dependents in overseas areas as part of the defense dependents' education system. Establishment and operation. 20 USC 926.

(b) Under such circumstances as he may by regulation prescribe, the Secretary of Defense may provide tuition to allow dependents in an overseas area where a school operated by the Secretary is not reasonably available to attend schools other than schools established under subsection (a) on a tuition-free basis. Any school to which tuition is paid under this subsection to allow a dependent in an overseas area to attend such school shall provide an educational program satisfactory to the Secretary. Tuition provision, regulations.

(c)(1)(A) Chapter 7 of title 37, United States Code, relating to allowances authorized for members of the uniformed services, is amended by adding after section 428 the following new section:

"§ 429. Travel and transportation allowances: minor dependent schooling 37 USC 429.

"Under regulations to be prescribed by the Secretary of Defense, a member of a uniformed service whose permanent station is outside the United States may be allowed transportation in kind for any minor dependent (or reimbursement therefor), or a monetary allowance in place of such transportation in kind, to a school operated by the Department of Defense under the Defense Dependents' Education Act of 1978 for dependents in an overseas area which is operated, and which such dependent attends, on a 5-day-a-week dormitory basis or on a 7-day-a-week dormitory basis. In the case of a dependent attending a school on a 5-day-a-week dormitory basis, the transportation in kind or allowance authorized by this section shall be for weekly trips to and from such school, and in the case of a dependent attending a school on a 7-day-a-week dormitory basis, such transportation in kind or allowances shall be for not less than three trips to and from such school during the school year.". Regulations.

(B) The table of sections at the beginning of chapter 7 of title 37, United States Code, is amended by adding after the item relating to section 428 the following new item:

"429. Travel and transportation allowances: minor dependent schooling.".

ELIGIBILITY FOR SCHOOL LUNCH AND BREAKFAST PROGRAMS

SEC. 1408. (a) The National School Lunch Act is amended by adding at the end thereof the following new section:

"DEPARTMENT OF DEFENSE OVERSEAS DEPENDENTS' SCHOOLS

Federal payments and commodities, availability.
42 USC 1769b.

"SEC. 22. (a) For the purpose of obtaining Federal payments and commodities in conjunction with the provision of lunches to students attending Department of Defense dependents' schools which are located outside the United States, its territories or possessions, the Secretary of Agriculture shall make available to the Department of Defense, from funds appropriated for such purpose, the same payments and commodities as are provided to States for schools participating in the National School Lunch Program in the United States.

Lunch programs, administration, eligibility, and regulations.

"(b) The Secretary of Defense shall administer lunch programs authorized by this section and shall determine eligibility for free and reduced-price lunches under the criteria published by the Secretary of Agriculture, except that the Secretary of Defense shall prescribe regulations governing computation of income eligibility standards for families of students participating in the National School Lunch Program under this section.

"(c) The Secretary of Defense shall be required to offer meals meeting nutritional standards prescribed by the Secretary of Agriculture; however, the Secretary of Defense may authorize deviations from Department of Agriculture prescribed meal patterns and fluid milk requirements when local conditions preclude strict compliance or when such compliance is impracticable.

Appropriation authorization.

"(d) Funds are hereby authorized to be appropriated for any fiscal year in such amounts as may be necessary for the administrative expenses of the Department of Defense under this section and for payment of the difference between the value of commodities and payments received from the Secretary of Agriculture and (1) the full cost of each lunch for each student eligible for a free lunch, and (2) the full cost of each lunch, less any amounts required by law or regulation to be paid by each student eligible for a reduced-price lunch.

"(e) The Secretary of Agriculture shall provide the Secretary of Defense with the technical assistance in the administration of the school lunch programs authorized by this section.".

(b) The Child Nutrition Act of 1966 is amended—

42 USC 1773.

(1) by inserting "and the Department of Defense" after "States" in the first sentence of section 4(a); and

(2) by adding at the end thereof the following new section:

"DEPARTMENT OF DEFENSE OVERSEAS DEPENDENTS' SCHOOLS

Federal payments and commodities, availability.
42 USC 1789.

"SEC. 20. (a) For the purpose of obtaining Federal payments and commodities in conjunction with the provision of breakfasts to students attending Department of Defense dependents' schools which are located outside the United States, its territories or possessions, the Secretary of Agriculture shall make available to the Department of Defense, from funds appropriated for such purpose, the same payments and commodities as are provided to States for schools participating in the school breakfast program in the United States.

Breakfast programs, administration, eligibility, and regulations.

"(b) The Secretary of Defense shall administer breakfast programs authorized by this section and shall determine eligibility for free and

reduced-price breakfasts under the criteria published by the Secretary of Agriculture, except that the Secretary of Defense shall prescribe regulations governing computation of income eligibility standards for families of students participating in the school breakfast program under this section.

"(c) The Secretary of Defense shall be required to offer meals meeting nutritional standards prescribed by the Secretary of Agriculture; however, the Secretary of Defense may authorize deviations from Department of Agriculture prescribed meal patterns and fluid milk requirements when local conditions preclude strict compliance or when such compliance is highly impracticable.

"(d) Funds are hereby authorized to be appropriated for any fiscal year in such amounts as may be necessary for the administrative expenses of the Department of Defense under this section and for payment of the difference between the value of commodities and payments received from the Secretary of Agriculture and (1) the full cost of each breakfast for each student eligible for a free breakfast, and (2) the full cost of each breakfast, less any amounts required by law or regulation to be paid by each student eligible for a reduced-price breakfast. Appropriation authorization.

"(e) The Secretary of Agriculture shall provide the Secretary of Defense with technical assistance in the administration of the school breakfast programs authorized by this section.".

ALLOTMENT FORMULA

SEC. 1409. (a) The Director shall by regulation establish a formula for determining the minimum allotment of funds necessary for the operation of each school in the defense dependents' education system. In establishing such formula, the Director shall take into consideration— Regulation. 20 USC 927.

(1) the number of students served by a school and the size of the school;

(2) special cost factors for a school, including—

(A) geographic isolation of the school,

(B) a need for special staffing, transportation, or educational programs at the school, and

(C) unusual food and housing costs,

(3) the cost of providing academic services of a high quality as required by section 1402(b)(1); and

(4) such other factors as the Director considers appropriate.

(b) Any regulation under subsection (a) shall be issued, and shall become effective, in accordance with the procedures applicable to regulations required to be issued by the Department of Health, Education, and Welfare in accordance with section 431 of the General Education Provisions Act. 20 USC 1232.

(c) The provisions of the Education for All Handicapped Children Act of 1975 shall apply with respect to all schools operated by the Department of Defense under this Act. 20 USC 1401 note.

SCHOOL ADVISORY COMMITTEES

SEC. 1410. (a)(1) The Director shall provide for the establishment of an advisory committee for each school in the defense dependents' education system. An advisory committee for a school shall advise the principal or superintendent of the school with respect to the operation Establishments. 20 USC 928.

of the school, may make recommendations with respect to curriculum and budget matters, and, except as provided under paragraph (2), shall advise the local military commander with respect to problems concerning dependents' education within the jurisdiction of the commander. The membership of each such advisory committee shall include an equal number of representatives of sponsors of students enrolled in the school and of employees working at the school and, when appropriate, may include a student enrolled in the school.

Membership.

(2) In the case of any military installation or overseas area where there is more than one school in the defense dependents' education system, the Director shall provide for the establishment of an advisory committee for such military installation or overseas area to advise the local military commander with respect to problems concerning dependents' education within the jurisdiction of the commander.

(b) Members of a school advisory committee established under this section shall be elected by individuals of voting age residing in the area to be served by the advisory committee. The Secretary of Defense shall by regulation prescribe the qualifications for election to an advisory committee and procedures for conducting elections of advisory committee members.

Qualifications, regulations.

Compensation.

(c) Members of school advisory committees established under this section shall serve without pay.

ADVISORY COUNCIL ON DEPENDENTS' EDUCATION

Establishment and membership. 20 USC 929.

SEC. 1411. (a) There is established in the Department of Defense an Advisory Council on Dependents' Education (hereinafter in this section referred to as the "Council"). The Council shall be composed of—

(1) the Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics (hereinafter in this section referred to as the "Assistant Secretary"), who shall be the chairman of the Council;

(2) twelve individuals appointed by the Assistant Secretary, who shall be individuals versed by training or experience in the field of primary or secondary education and who shall include representatives of professional employee organizations, school administrators, sponsors of students enrolled in the defense dependents' education system, and one student enrolled in such system; and

(3) a representative of each of—

(A) the Commissioner of Education, Department of Health, Education, and Welfare,

(B) the Director of the National Institute of Education, Department of Health, Education, and Welfare,

(C) the Director of the Educational Directorate of the National Science Foundation,

(D) the Chairman of the National Endowment for the Arts,

(E) the Chairman of the National Endowment for the Humanities, and

(F) the Secretaries of the military departments.

Director.

The Director shall be the Executive Secretary of the Council.

Term.

(b) The term of office of each member of the Council appointed under subsection (a)(2) shall be three years, except that—

(1) of the members first appointed under such paragraph, four shall serve for a term of one year, four shall serve for a term of

two years, and four shall serve for a term of three years, as determined by the Assistant Secretary at the time of their appointment, and

(2) any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

No member appointed under subsection (a)(2) shall serve more than two full terms on the Council.

(c) The Council shall meet at least four times each year. The functions of the Council shall be to— Functions.

(1) recommend to the Director general policies for operation of the defense dependents' education system with respect to curriculum selection, administration, and operation of the system,

(2) provide information to the Director from other Federal agencies concerned with primary and secondary education with respect to education programs and practices which such agencies have found to be effective and which should be considered for inclusion in the defense dependents' education system,

(3) advise the Director on the design of the study and the selection of the contractor referred to in section 1412(a)(2) of this title, and

(4) perform such other tasks as may be required by the Assistant Secretary.

(d) Members of the Council who are not in the regular full-time employ of the United States shall, while attending meetings or conferences of the Council or otherwise engaged in the business of the Council, be entitled to receive compensation at the daily equivalent of the rate specified at the time of such service for grade GS-18 in section 5332 of title 5, United States Code, including traveltime, and while so serving on the business of the Council away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service. Compensation. 5 USC 5332 note.

(e) The Council shall continue in existence until terminated by law. Termination.

STUDY OF DEFENSE DEPENDENTS' EDUCATION SYSTEM

SEC. 1412. (a)(1) As soon as practicable after the date of the enactment of this Act, the Director shall provide for a comprehensive study of the entire defense dependents' education system, which shall include a detailed analysis of the education programs and the facilities of the system. 20 USC 930.

(2) The study required by this subsection shall be conducted by a contractor selected by the Director after an open competition. After conducting such study, the contractor shall submit a report to the Director not later than one year after the effective date of this title describing the results of the study and giving its assessment of the defense dependents' education system. Report.

(b) In designing the specifications for the study to be conducted pursuant to subsection (a)(1), and in selecting a contractor to conduct such study under subsection (a)(2), the Director shall consult with the Advisory Council on Dependents' Education established under section 1411 of this title. Consultation.

(c) The Director shall submit to the Congress not later than one year after the effective date of this title the report submitted to him Results and legislative recommendations, submittal to Congress.

under subsection (a)(2) describing the results of the study carried out pursuant to subsection (a)(1), together with the recommendations, if any, of the contractor for legislation or any increase in funding needed to improve the defense dependents' education system. Notwithstanding any law, rule, or regulation to the contrary, such report shall not be submitted to any review before its transmittal to the Congress, but the Secretary of Defense shall, at the time of the transmittal of such report, submit to the Congress such recommendations as he may have with respect to legislation or any increase in funding needed to improve the defense dependents' education system.

(d) The Director may provide for additional studies of the defense dependents' education system to be conducted in accordance with the provisions of this section, but such studies shall not be conducted more frequently than once a year. A report of each study shall be submitted to the Congress in accordance with subsection (c), and the second sentence of such subsection shall apply with respect to the transmission of each such report.

Report to Congress.

REGULATIONS

20 USC 931.

SEC. 1413. Not later than 180 days after the effective date of this title, the Secretary of Defense shall issue regulations to carry out this title. Such regulations shall—

(1) prescribe the educational goals and objectives of the defense dependents' education system,

(2) establish standards for the development of curricula for the system and for the selection of instructional materials,

(3) prescribe professional standards for professional personnel employed in the system,

(4) provide for arrangements between the Director and commanders of military installations for necessary logistic support for schools of the system located on military installations,

(5) provide for a recertification program for professional personnel employed in the system, and

(6) provide for such other matters as may be necessary to ensure the efficient organization and operation of the defense dependents' education system.

DEFINITIONS

20 USC 932.

SEC. 1414. For purposes of this title:

(1) The term "dependent" means a minor individual—

(A) who has not completed secondary schooling, and

(B) who is the child, stepchild, adopted child, ward, or spouse of a sponsor, or who is a resident in the household of a sponsor who stands in loco parentis to such individual and who receives one half or more of his support from such sponsor.

(2) The term "sponsor" means—

(A) a member of the Armed Forces serving on active duty, or

(B) a civilian officer or employee of the Department of Defense paid from appropriated funds.

(3) The term "overseas area" means any area situated outside the United States.

(4) The term "United States", when used in a geographical sense, means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United

States (excluding the Trust Territory of the Pacific Islands and Midway Island).

EFFECTIVE DATES

SEC. 1415. (a)(1) Except as provided in paragraph (2) this title shall take effect on July 1, 1979. 20 USC 921 note.

(2) Section 1407(b) and the amendments made by section 1407(c), 1408(a), and 1408(b) shall take effect on October 1, 1978.

(b) Notwithstanding subsection (a) or any other provision of this title no provision of this title shall be construed to impair or prevent the taking effect of the provision of any other Act providing for the transfer of the functions described in this title to an executive department having responsibility for education.

TITLE XV—MISCELLANEOUS PROVISIONS

PART A—INTERNATIONAL YEAR OF THE CHILD

DECLARATION OF PURPOSE OF THE INTERNATIONAL YEAR OF THE CHILD

SEC. 1501. The United Nations General Assembly, by a resolution approved at its thirty-first session, has designated the year 1979 as the International Year of the Child. This action was designed to focus national and international attention on various aspects of the needs of children and to encourage all nations, individually and in cooperation, to take appropriate and relevant actions to meet them. The General Assembly called upon member states and international organizations to participate fully in the International Year of the Child and to devote the year 1979 to efforts at the international, national and community levels to provide lasting improvements in the well-being of children. 22 USC 287 note.

ESTABLISHMENT OF A NATIONAL COMMISSION

SEC. 1502. (a) The President shall establish a National Commission on the International Year of the Child (hereinafter in this Act referred to as the "Commission"), and to appoint to the Commission not more than twenty-five members chosen from among citizens in private life. Membership. 22 USC 287 note.

(b) The President shall designate a Chairperson and two Vice Chairpersons from among the members. Chairperson.

(c) The President of the Senate and the Speaker of the House of Representatives may each designate two Members of the Senate and the House of Representatives, respectively, to serve on the Commission, in addition to the members to be appointed by the President.

FUNCTIONS OF THE COMMISSION

SEC. 1503. (a) The Commission shall promote: (i) effective and significant observance in the United States of 1979 as the International Year of the Child (hereinafter in this Act referred to as the "Year"), with particular reference to the goals stated in section 2; (ii) cooperation by the United States with UNICEF and other international organizations and with other nations to achieve the objectives of the Year. To these ends, the Commission shall seek to stimulate within the United States a better understanding of, and actions to meet, the needs of children both in this and in other countries. Such needs would 22 USC 287 note.

include, but not be limited to the social, health, educational, and developmental needs of children, as well as concern for the general conditions and rights of children.

(b) The Commission shall keep informed of activities undertaken or planned by various organizations and groups in the United States and abroad in observance of the Year and shall consult with such groups and stimulate such activities and programs through community, civic, local, State, regional, national, Federal, international, private and professional organizations.

(c) The Commission may conduct studies, inquiries, and hearings and hold meetings as it deems necessary. It may assemble and disseminate information and issue reports and other publications. It may also coordinate, sponsor, perform, or oversee projects, studies, events, and other activities that it deems necessary or desirable for the observance of the Year.

Recommendations and report to President.

(d) The Commission shall make recommendations to the President on national policies in furtherance of the goals of the Year; and shall make a final report to the President on its work and recommendations not later than March 31, 1980.

COORDINATION AND ADMINISTRATION

Subcommittees, authorization. 22 USC 287 note.

SEC. 1504. (a) The Commission is authorized to establish such subcommittees, the membership of which may include persons not members of the Commission, as it deems necessary to carry out the purpose of this Act.

(b) Each agency of the executive branch of the Government is authorized: (1) to furnish to the Commission, upon request of the Chairperson of the Commission, such information, advice, services, and funds as may be useful to the Commission for the fulfillment of its functions under this Act, and (2) to detail personnel to the Commission.

Compensation.

(c) Each member of the Commission or any of its subcommittees, who is not a member of Congress may, while serving on business of the Commission, be compensated at a rate not to exceed the daily equivalent of GS–15 for each day they are engaged in the actual performance of duties.

(d) The Commission may appoint such staff personnel as it considers necessary to carry out its duties under this Act without regard to the provisions of title 5, United States Code, governing appointment in the competitive civil service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that not more than two individuals so appointed may receive pay in excess of the annual rate of basic pay in effect for grade GS–15 of the General Schedule. Appointments shall be made without regard to political affiliation.

5 USC 5101 *et seq.*, 5301.

5 USC 5332 note.

(e) The Commission is authorized to accept and use services of voluntary and uncompensated personnel. Such personnel shall not be considered Federal employees for any purpose other than for purposes of chapter 81 of title 4, United States Code (relating to compensation for injury), and sections 2671 through 2680 of title 28, United States Code (relating to tort claims), and shall not perform the work of Federal employees.

5 USC 8101 *et seq.*

Travel allowances.

(f) Members or staff of the Commission or of a subcommittee thereof, shall be allowed travel expenses while attending meetings of the Commission or its subcommittees or otherwise engaged in the business

of the Commission away from their homes or regular places of business, including per diem in lieu of subsistence, as authorized under section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

(g) The Commission is authorized to procure such temporary and intermittent services of experts and consultants as are necessary to the extent authorized by section 3109 of title 5, United States Code. Experts and consultants

(h) The Commission is authorized to accept, use, and dispose of contributions of money or property.

(i) The Commission is authorized to enter into contracts with Federal and State agencies, private firms, institutions, and individuals for the conduct of research or surveys, the preparation of reports, and other activities necessary to the discharge of its duties. Contracts.

(j) The Commission may use the United States mails under the same conditions as other departments and agencies of the United States.

(k) The powers granted the Commission by this Act shall be in addition to those granted by Executive Order 12053. The powers granted the Commission by Executive Order 12053 may be employed to fulfill the responsibilities of the Commission under this Act. 3 CFR 1978 Comp., p. 174.

(l) The powers granted the Commission under this Act may be delegated to any member or employee of the Commission by the Commission Chairperson.

(m) Financial and administrative support services (including those related to budget and accounting, financial reporting, personnel, and procurement) shall be provided to the Commission by the General Services Administration, for which payment shall be made in advance, or by reimbursement, from funds of the Commission, in such amounts as may be agreed upon by the Chairperson of the Commission and the Administrator of the General Services Administration.

WAIVERS OF CERTAIN OTHER PROVISIONS OF LAW

SEC. 1505. In order to expedite matters pertaining to the planning for, and work of, the Commission, the Commission is authorized to make purchases and contracts without regard to section 252 of title 41 of the United States Code, pertaining to advertising and competitive bidding, and may arrange for the printing of any material pertaining to the work of the Commission without regard to the Government Printing and Binding Regulations and any related laws or regulations. 22 USC 287 note.

TERMINATION DATE

SEC. 1506. The Commission shall continue in existence until thirty days after submission of its final report to the President pursuant to section 1503(d), at which time it shall terminate, but the life of the Commission shall in no case extend beyond April 30, 1980. 22 USC 287 note.

AUTHORIZATION OF APPROPRIATIONS

SEC. 1507. There are authorized to be appropriated, without fiscal year limitations such sums as may be necessary to carry out the provisions of this Act. Such sums shall remain available for obligation until expended. No funds authorized hereunder may be used for lobbying activities. 22 USC 287 note.

PART B—NATIONAL ACADEMY OF PEACE AND CONFLICT RESOLUTION

ESTABLISHMENT

Commission on Proposals for the National Academy of Peace and Conflict Resolution.

SEC. 1511. There is established a commission to be known as the Commission on Proposals for the National Academy of Peace and Conflict Resolution.

DUTIES OF COMMISSION

20 USC 1172 note.

SEC. 1512. (a) The Commission shall undertake a study to consider—

(1) whether to establish a National Academy of Peace and Conflict Resolution;

20 USC 1172 note.

(2) the size, cost, and location of an Academy;

(3) the effects which the establishment of an Academy would have on existing institutions of higher education;

(4) the relationship which would exist between an Academy and the Federal Government;

(5) the feasibility of making grants and providing other forms of assistance to existing institutions of higher education in lieu of, or in addition to, establishing an Academy; and

(6) alternative proposals, which may or may not include the establishment of an Academy, which would assist the Federal Government in accomplishing the goal of promoting peace.

(b) In conducting the study required by subsection (a), the Commission shall—

(1) review the theory and techniques of peaceful resolution of conflict between nations; and

(2) study existing institutions which assist in resolving conflict in the areas of international relations.

MEMBERSHIP

20 USC 1172 note.

SEC. 1513. (a) The Commission shall be composed of nine members as follows—

(1) three appointed by the President pro tempore of the Senate;

(2) three appointed by the Speaker of the House of Representatives; and

(3) three appointed by the President.

(b) Members shall be appointed for the life of the Commission.

(c) A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

Compensation.

5 USC 5332 note.

(d) (1) Except as provided in paragraph (2), members of the Commission each shall be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule (5 U.S.C. 5332) for each day during which they are engaged in the actual performance of the duties of the Commission.

(2) Members of the Commission who are full-time officers or employees of the United States or Members of the Congress shall receive no additional pay on account of their service on the Commission.

Travel allowances.

(3) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including a per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

(e) The Commission shall elect a Chairman and a Vice Chairman from among its members.

(f) Five members of the Commission shall constitute a quorum.

(g) The Commission shall meet at the call of the Chairman or a majority of its members. Meetings.

DIRECTOR AND STAFF OF COMMISSION; EXPERTS AND CONSULTANTS

SEC. 1514. (a) Subject to such rules as may be adopted by the Commission, the Chairman, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classifications and General Schedule pay rates, shall have the power to— 20 USC 1172 note. 5 USC 5101 *et seq.*, 5301.

(1) appoint a Director who shall be paid at a rate not to exceed the rate of basic pay in effect for level V of the Executive Schedule (5 U.S.C. 5316);

(2) appoint and fix the compensation of such staff personnel as he considers necessary; and

(3) procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code.

(b) Upon request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist it in carrying out its duties under this title.

POWERS OF COMMISSION

SEC. 1515. (a) The Commission may, for the purpose of carrying out this title, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable. The Commission may administer oaths and affirmations to witnesses appearing before the Commission. 20 USC 1172 note.

(b) When so authorized by the Commission, any member or agent of the Commission may take any action which the Commission is authorized to take by this section.

(c) The Commission may secure directly from any Federal agency information necessary to enable it to carry out this title. Upon request of the Chairman, the head of any such Federal agency shall furnish such information to the Commission.

REPORTS

SEC. 1516. The Commission shall transmit to the President and to each House of the Congress such interim reports as it considers appropriate and shall transmit a final report to the President and to each House of the Congress not later than one year after the date on which appropriations first become available to carry out this title. The final report shall contain a detailed statement of the findings and conclusions of the Commission, together with its recommendations for such legislation as it considers appropriate. Transmittal to President and Congress. 20 USC 1172 note. Legislative recommendations.

TERMINATION

SEC. 1517. The Commission shall cease to exist sixty days after transmitting its final report under section 1516. 20 USC 1172 note.

AUTHORIZATION OF APPROPRIATION

20 USC 1172 note.

SEC. 1518. There is authorized to be appropriated not to exceed $500,000 to carry out this title.

DEFINITIONS

20 USC 1172 note.

SEC. 1519. For purposes of this title—

(1) the term "Academy" means the National Academy of Peace and Conflict Resolution;

(2) the term "Chairman" means the Chairman of the Commission selected under section 1513(e);

(3) the term "Commission" means the Commission on Proposals for the National Academy of Peace and Conflict Resolution; and

(4) the term "Federal agency" means any agency, department, or independent establishment in the executive branch of the Federal Government, including any Government corporation.

PART C—MISCELLANEOUS AMENDMENTS; EFFECTIVE DATES

PREPARATION OF CENSUS DATA

Availability. 20 USC 2711 note. *Ante*, p. 2153.

SEC. 1521. For the purpose of establishing a reliable statistical basis for the rendering of determinations under section 111(c) of the Elementary and Secondary Education Act of 1965, and for other purposes, the Secretary of Commerce shall take such steps as may be necessary to ensure that data developed from the 1980 decennial census will be available to the Secretary of Health, Education, and Welfare and to the Commissioner of Education identifying data for children under 18 years of age, by single year of age, for school districts. Such data shall relate to the family characteristics of these children, including income, education, and such other family characteristics as may be appropriate and available from the decennial census.

AUTHORIZATION OF APPROPRIATIONS FOR RACIALLY ISOLATED SCHOOL DISTRICTS

SEC. 1522. There is authorized to be appropriated $1,200,000 for each fiscal year prior to October 1, 1981, for assistance to local educational agencies which are racially isolated as a result of geographic location of the school district of such agencies, and which have adopted and are implementing, or will adopt and implement, a plan to aid schoolchildren in overcoming the educational disadvantage of minority group isolation.

AVAILABILITY OF EDUCATION REPORTS

20 USC 1226c-1.

SEC. 1523. Any evaluation report or data or information collected in preparation of such report, which is paid for with appropriated funds, shall be made available, upon request, within 4 days to the chairman and ranking minority member of the Committee on Education and Labor of the House of Representatives and of the Committee on Human Resources of the Senate.

GENERAL ASSISTANCE FOR THE VIRGIN ISLANDS

SEC. 1524. There is hereby authorized to be appropriated $5,000,000 for the fiscal year ending September 30, 1979, and for each of the four succeeding fiscal years, for the purpose of providing general assistance to improve public education in the Virgin Islands. Appropriation authorization.

TERRITORIAL TEACHER TRAINING ASSISTANCE

SEC. 1525. There is hereby authorized to be appropriated $2,000,000 for the fiscal year ending September 30, 1979, and for each of the four succeeding fiscal years for the purpose of assisting teacher training programs in Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands. From the sums appropriated pursuant to this section the Commissioner of Education shall make grants and enter into contracts for the purpose of providing training to teachers in schools in Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands. The Commissioner may make grants to or contracts with any organization that he deems qualified to provide training for teachers in such schools and shall allot such sums among such territories on the basis of the need for such training. Appropriation authorization. Grants and contracts.

STUDY OF EVALUATION PRACTICES AND PROCEDURES

SEC. 1526. The Commissioner of Education shall conduct a study of evaluation practices and procedures at the national, State, and local levels with respect to federally funded elementary and secondary educational programs and shall include in the first annual report to Congress submitted more than one year after the date of enactment of this Act proposals and recommendations for the revision or modification of any part or all of such practices and procedures. Such proposals and recommendations shall include provisions— 20 USC 1231a note.

(1) to ensure that evaluations are based on uniform methods and measurements;

(2) to ensure the integrity and independence of the evaluation process; and

(3) to ensure appropriate follow-up on the evaluations that are conducted.

TELEVISION PROGRAM ASSISTANCE

SEC. 1527. (a) The Secretary is authorized to make grants to and contracts with public and private agencies for the production, development, or distribution (or any combination thereof) of programs designed for television systems, whether broadcast or nonbroadcast. Grants and contracts. 20 USC 1221j.

(b) The Assistant Secretary for Education shall be responsible for the administration of this section and shall also conduct surveys, research, and evaluation studies which may assist in decisions to support pilot programs for full scale production. Administration.

LIMITATION ON CONTRACTING AUTHORITY

SEC. 1528. Notwithstanding any other provision of this Act, no authority to enter into contracts under this Act shall be effective except to such an extent or in such amounts as are provided in advance in appropriations Acts.

REPEAL

Repeals.
20 USC 1901, 1921, 1941-1944, 1961-1966, 1981-1983.
20 USC 2701 note.

SEC. 1529. Title VII of the Education Amendments of 1974 is repealed.

GENERAL EFFECTIVE DATE

SEC. 1530. Except as otherwise specifically provided in this Act, the provisions of this Act and the amendments and repeals made by this Act shall take effect October 1, 1978.

Approved November 1, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-1137 (Comm. on Education and Labor) and No. 95-1753 (Comm. of Conference).
SENATE REPORT No. 95-856 accompanying S. 1753 (Comm. on Human Resources).
CONGRESSIONAL RECORD, Vol. 124 (1978):
June 1, 12, July 13, considered and passed House.
Aug. 23, S. 1753 considered in Senate.
Aug. 24, considered and passed Senate, amended, in lieu of S. 1753.
Oct. 12, Senate agreed to conference report.
Oct. 15, House agreed to conference report.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 44:
Nov. 1, Presidential statement.

Public Law 95-562
95th Congress

An Act

To amend the Perishable Agricultural Commodities Act.

Nov. 1, 1978
[S. 976]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Perishable Agricultural Commodities Act, amendment.

SECTION 1. (a) Effective January 1, 1979, section 1 of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499a), is amended by—

(1) in subsection (6), striking out "$100,000" and inserting in lieu thereof "$200,000"; and

(2) in subsection (7), striking out "$100,000" and inserting in lieu thereof "$200,000".

(b) Section 1 of the Perishable Agricultural Commodities Act, 1930, is further amended by inserting in subsection (6) immediately after "(C) no person buying any commodity" the following: "other than potatoes", except that no person buying potatoes for processing solely within the State where grown shall be deemed or considered to be a dealer under subsection (6) of section 1, as amended by this subsection, until January 1, 1982.

Potatoes.
7 USC 499a note.

SEC. 2. Section 3(b) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499c(b)), is amended by—

Licenses.

(1) inserting immediately before the period at the end of the second sentence the following: "and to be furnished thereafter";

(2) striking out "$100" in the third sentence and inserting in lieu thereof the following: "$150, plus $50 for each branch or additional business facility operated by the applicant in excess of nine such facilities, as determined by the Secretary. Total annual fees for any applicant shall not exceed $1,000 in the aggregate";

Fees.

(3) inserting immediately after "referred to above:" in the fourth sentence the following: "*Provided*, That the amount of money accumulated and on hand in the special fund at the end of any fiscal year shall not exceed 25 percent of the projected budget for the next following fiscal year:"; and

(4) inserting "*further*" immediately after "*Provided*" in the fourth sentence.

SEC. 3. Section 13 of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499m), is amended by renumbering subsections (b) through (e) as subsections (c) through (f) and adding a new subsection (b) as follows:

"(b) The Secretary or the Secretary's duly authorized agents, in order to insure that the prompt payment provision of section 2(4) of this Act is being complied with, shall from time to time inspect the accounts, records, and memoranda of any commission merchant, dealer, or broker determined in a formal disciplinary proceeding under section 6(b) of this Act to have violated such provision. The Secretary may also require that any such commission merchant, dealer, or broker furnish, maintain, and from time to time adjust a surety bond in form and amount satisfactory to the Secretary as assurance that such commission merchant's, dealer's, or broker's business will be conducted in accordance with this Act and that such commission merchant, dealer, or

Inspection of records.
7 USC 499b.

7 USC 499f.

broker will pay all reparation awards, subject to its right of appeal under section 7(c) of this Act: *Provided*, That if such surety bond is furnished, maintained, and adjusted as required by the Secretary, the Secretary shall not thereafter inspect the accounts, records, and memoranda of such commission merchant, dealer, or broker under this subsection more than once a year. If any such commission merchant, dealer, or broker refuses to permit such inspection or fails or refuses to furnish, maintain, or adjust such surety bond, the Secretary may publish the facts and circumstances and, by order, suspend the license of the offender until permission to make such inspection is given or such surety bond is furnished, maintained, or adjusted.".

Suspension of license.

SEC. 4. Section 3(b) of the Farm Labor Contractor Registration Act of 1963 (7 U.S.C. 2042(b)) is amended by—

(1) striking out "or" at the end of paragraph (8), striking out the period at the end of paragraph (9) and inserting in lieu thereof a semicolon and "or"; and

Farm labor contractor, exclusion.

(2) adding at the end thereof a new paragraph (10) as follows:

"(10) any person who would be required to register solely because the person is engaged in any such activity solely for the purpose of supplying full-time students or other persons whose principal occupation is not farmwork to detassel and rogue hybrid seed corn or sorghum for seed and to engage in other incidental farmwork for a period not to exceed four weeks in any calendar year: *Provided*, That such students or other persons are not required by the circumstances of such activity to be away from their permanent place of residence overnight: *Provided further*, That such students or other persons, if under 18 years of age, are not engaged in providing transportation in vehicles caused to be operated by the contractor.".

Approved November 1, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1620, accompanying H.R. 13845 (Comm. on Agriculture).
SENATE REPORT No. 95-1156 (Comm. on Agriculture, Nutrition, and Forestry).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 8, considered and passed Senate.
Oct. 3, 4, H.R. 13845 considered and passed House; passage vacated and S. 976, amended, passed in lieu.
Oct. 13, Senate concurred in House amendments with an amendment.
Oct. 13, House concurred in Senate amendment.

Public Law 95-563
95th Congress

An Act

To provide for the resolution of claims and disputes relating to Government contracts awarded by executive agencies.

Nov. 1, 1978
[H.R. 11002]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Contract Disputes Act of 1978".

Contract Disputes Act of 1978.
41 USC 601 note.

DEFINITIONS

SEC. 2. As used in this Act— 41 USC 601.

(1) the term "agency head" means the head and any assistant head of an executive agency, and may "upon the designation by" the head of an executive agency include the chief official of any principal division of the agency;

(2) the term "executive agency" means an executive department as defined in section 101 of title 5, United States Code, an independent establishment as defined by section 104 of title 5, United States Code (except that it shall not include the General Accounting Office); a military department as defined by section 102 of title 5, United States Code, and a wholly owned Government corporation as defined by section 846 of title 31, United States Code, the United States Postal Service, and the Postal Rate Commission;

(3) The term "contracting officer" means any person who, by appointment in accordance with applicable regulations, has the authority to enter into and administer contracts and make determinations and findings with respect thereto. The term also includes the authorized representative of the contracting officer, acting within the limits of his authority;

(4) the term "contractor" means a party to a Government contract other than the Government;

(5) The term "Administrator" means the Administrator for Federal Procurement Policy appointed pursuant to the Office of Federal Procurement Policy Act;

(6) The term "agency board" means an agency board of contract appeals established under section 8 of this Act; and

(7) The term "misrepresentation of fact" means a false statement of substantive fact, or any conduct which leads to a belief of a substantive fact material to proper understanding of the matter in hand, made with intent to deceive or mislead.

APPLICABILITY OF LAW

SEC. 3. (a) Unless otherwise specifically provided herein, this Act applies to any express or implied contract (including those of the nonappropriated fund activities described in sections 1346 and 1491 of title 28, United States Code) entered into by an executive agency for— 41 USC 602.

(1) the procurement of property, other than real property in being;

(2) the procurement of services;

(3) the procurement of construction, alteration, repair or maintenance of real property; or,

(4) the disposal of personal property.

Tennessee Valley Authority contracts.

(b) With respect to contracts of the Tennessee Valley Authority, the provisions of this Act shall apply only to those contracts which contain a disputes clause requiring that a contract dispute be resolved through an agency administrative process. Notwithstanding any other provision of this Act, contracts of the Tennessee Valley Authority for the sale of fertilizer or electric power or related to the conduct or operation of the electric power system shall be excluded from the Act.

(c) This Act does not apply to a contract with a foreign government, or agency thereof, or international organization, or subsidiary body thereof, if the head of the agency determines that the application of the Act to the contract would not be in the public interest.

MARITIME CONTRACTS

41 USC 603.

SEC. 4. Appeals under paragraph (g) of section 8 and suits under section 10, arising out of maritime contracts, shall be governed by the Act of March 9, 1920, as amended (41 Stat. 525, as amended; 46 U.S.C. 741–752) or the Act of March 3, 1925, as amended (43 Stat. 1112, as amended; 46 U.S.C. 781–790) as applicable, to the extent that those Acts are not inconsistent with this Act.

FRAUDULENT CLAIMS

41 USC 604.

SEC. 5. If a contractor is unable to support any part of his claim and it is determined that such inability is attributable to misrepresentation of fact or fraud on the part of the contractor, he shall be liable to the Government for an amount equal to such unsupported part of the claim in addition to all costs to the Government attributable to the cost of reviewing said part of his claim. Liability under this subsection shall be determined within six years of the commission of such misrepresentation of fact or fraud.

DECISION BY THE CONTRACTING OFFICER

Contractor claims.
41 USC 605.

SEC. 6. (a) All claims by a contractor against the government relating to a contract shall be in writing and shall be submitted to the contracting officer for a decision. All claims by the government against a contractor relating to a contract shall be the subject of a decision by the contracting officer. The contracting officer shall issue his decisions in writing, and shall mail or otherwise furnish a copy of the decision to the contractor. The decision shall state the reasons for the decision reached, and shall inform the contractor of his rights as provided in this Act. Specific findings of fact are not required, but, if made, shall not be binding in any subsequent proceeding. The authority of this subsection shall not extend to a claim or dispute for penalties or forfeitures prescribed by statute or regulation which another Federal agency is specifically authorized to administer, settle, or determine. This section shall not authorize any agency head to settle, compromise, pay, or otherwise adjust any claim involving fraud.

Information to contractor.

(b) The contracting officer's decision on the claim shall be final and conclusive and not subject to review by any forum, tribunal, or Government agency, unless an appeal or suit is timely commenced as

authorized by this Act. Nothing in this Act shall prohibit executive agencies from including a clause in government contracts requiring that pending final decision of an appeal, action, or final settlement, a contractor shall proceed diligently with performance of the contract in accordance with the contracting officer's decision.

(c)(1) A contracting officer shall issue a decision on any submitted claim of $50,000 or less within sixty days from his receipt of a written request from the contractor that a decision be rendered within that period. For claims of more than $50,000, the contractor shall certify that the claim is made in good faith, that the supporting data are accurate and complete to the best of his knowledge and belief, and that the amount requested accurately reflects the contract adjustment for which the contractor believes the government is liable. Certification.

(2) A contracting officer shall, within sixty days of receipt of a submitted certified claim over $50,000—

(A) issue a decision; or

(B) notify the contractor of the time within which a decision will be issued. Notification.

(3) The decision of a contracting officer on submitted claims shall be issued within a reasonable time, in accordance with regulations promulgated by the agency, taking into account such factors as the size and complexity of the claim and the adequacy of the information in support of the claim provided by the contractor.

(4) A contractor may request the agency board of contract appeals to direct a contracting officer to issue a decision in a specified period of time, as determined by the board, in the event of undue delay on the part of the contracting officer.

(5) Any failure by the contracting officer to issue a decision on a contract claim within the period required will be deemed to be a decision by the contracting officer denying the claim and will authorize the commencement of the appeal or suit on the claim as otherwise provided in this Act. However, in the event an appeal or suit is so commenced in the absence of a prior decision by the contracting officer, the tribunal concerned may, at its option, stay the proceedings to obtain a decision on the claim by the contracting officer.

CONTRACTOR'S RIGHT OF APPEAL TO BOARD OF CONTRACT APPEALS

SEC. 7. Within ninety days from the date of receipt of a contracting officer's decision under section 6, the contractor may appeal such decision to an agency board of contract appeals, as provided in section 8. 41 USC 606.

AGENCY BOARDS OF CONTRACT APPEALS

SEC. 8. (a)(1) Except as provided in paragraph (2) an agency board of contract appeals may be established within an executive agency when the agency head, after consultation with the Administrator, determines from a workload study that the volume of contract claims justifies the establishment of a full-time agency board of at least three members who shall have no other inconsistent duties. Workload studies will be updated at least once every three years and submitted to the Administrator. Establishment, consultation. 41 USC 607.

(2) The Board of Directors of the Tennessee Valley Authority may establish a board of contract appeals for the Authority of an indeterminate number of members. Membership.

(b)(1) Except as provided in paragraph (2), the members of agency boards shall be selected and appointed to serve in the same manner as

hearing examiners appointed pursuant to section 3105 of title 5 of the United States Code, with an additional requirement that such members shall have had not fewer than five years' experience in public contract law. Full-time members of agency boards serving as such on the effective date of this Act shall be considered qualified. The chairman and vice chairman of each board shall be designated by the agency head from members so appointed. The chairman of each agency board shall receive compensation at a rate equal to that paid a GS-18 under the General Schedule contained in section 5332, United States Code, the vice chairman shall receive compensation at a rate equal to that paid a GS-17 under such General Schedule, and all other members shall receive compensation at a rate equal to that paid a GS-16 under such General Schedule. Such positions shall be in addition to the number of positions which may be placed in GS-16, GS-17, and GS-18 of such General Schedule under existing law.

5 USC 5332 note.

Appointment criteria and chairman.

Compensation.

(2) The Board of Directors of the Tennessee Valley Authority shall establish criteria for the appointment of members to its agency board of contract appeals established in subsection (a)(2), and shall designate a chairman of such board. The chairman of such board shall receive compensation at a rate equal to the daily rate paid a GS-18 under the General Schedule contained in section 5332, United States Code for each day he is engaged in the actual performance of his duties as a member of such board. All other members of such board shall receive compensation at a rate equal to the daily rate paid a GS-16 under such General Schedule for each day they are engaged in the actual performance of their duties as members of such board.

Appeals, arrangements.

(c) If the volume of contract claims is not sufficient to justify an agency board under subsection (a) or if he otherwise considers it appropriate, any agency head shall arrange for appeals from decisions by contracting officers of his agency to be decided by a board of contract appeals of another executive agency. In the event an agency head is unable to make such an arrangement with another agency, he shall submit the case to the Administrator for placement with an agency board. The provisions of this subsection shall not apply to the Tennessee Valley Authority.

Jurisdiction.

(d) Each agency board shall have jurisdiction to decide any appeal from a decision of a contracting officer (1) relative to a contract made by its agency, and (2) relative to a contract made by any other agency when such agency or the Administrator has designated the agency board to decide the appeal. In exercising this jurisdiction, the agency board is authorized to grant any relief that would be available to a litigant asserting a contract claim in the Court of Claims.

(e) An agency board shall provide to the fullest extent practicable, informal, expeditious, and inexpensive resolution of disputes, and shall issue a decision in writing or take other appropriate action on each appeal submitted, and shall mail or otherwise furnish a copy of the decision to the contractor and the contracting officer.

Appeal disposition acceleration.

(f) The rules of each agency board shall include a procedure for the accelerated disposition of any appeal from a decision of a contracting officer where the amount in dispute is $50,000 or less. The accelerated procedure shall be applicable at the sole election of only the contractor. Appeals under the accelerated procedure shall be resolved, whenever possible, within one hundred and eighty days from the date the contractor elects to utilize such procedure.

(g)(1) The decision of an agency board of contract appeals shall be final, except that— Judicial review.

(A) a contractor may appeal such a decision to the Court of Claims within one hundred twenty days after the date of receipt of a copy of such decision, or

(B) the agency head, if he determines that an appeal should be taken, and with the prior approval of the Attorney General, transmits the decision of the board of contract appeals to the United States Court of Claims for judicial review, under section 2510 of title 28, United States Code, as amended herein, within one hundred and twenty days from the date of the agency's receipt of a copy of the board's decision.

(2) Notwithstanding the provisions of paragraph (1), the decision of the board of contract appeals of the Tennessee Valley Authority shall be final, except that—

(A) a contractor may appeal such a decision to a United States district court pursuant to the provisions of section 1337 of title 28, United States Code within one hundred twenty days after the date of receipt of a copy of such decision, or

(B) The Tennessee Valley Authority may appeal the decision to a United States district court pursuant to the provisions of section 1337 of title 28, United States Code, within one hundred twenty days after the date of the decision in any case.

(h) Pursuant to the authority conferred under the Office of Federal Procurement Policy Act, the Administrator is authorized and directed, as may be necessary or desirable to carry out the provisions of this Act, to issue guidelines with respect to criteria for the establishment, functions, and procedures of the agency boards (except for a board established by the Tennessee Valley Authority). Guidelines. 41 USC 401 note.

(i) Within one hundred and twenty days from the date of enactment of this Act, all agency boards, except that of the Tennessee Valley Authority, of three or more full time members shall develop workload studies for approval by the agency head as specified in section 8(a)(1). Workload studies.

SMALL CLAIMS

SEC. 9. (a) The rules of each agency board shall include a procedure for the expedited disposition of any appeal from a decision of a contracting officer where the amount in dispute is $10,000 or less. The small claims procedure shall be applicable at the sole election of the contractor. Procedure rules, provisions. 41 USC 608.

(b) The small claims procedure shall provide for simplified rules of procedure to facilitate the decision of any appeal thereunder. Such appeals may be decided by a single member of the agency board with such concurrences as may be provided by rule or regulation.

(c) Appeals under the small claims procedure shall be resolved, whenever possible, within one hundred twenty days from the date on which the contractor elects to utilize such procedure.

(d) A decision against the Government or the contractor reached under the small claims procedure shall be final and conclusive and shall not be set aside except in cases of fraud.

(e) Administrative determinations and final decisions under this section shall have no value as precedent for future cases under this Act.

(f) The Administrator is authorized to review at least every three years, beginning with the third year after the enactment of the Act, Review.

the dollar amount defined in section 9(a) as a small claim, and based upon economic indexes selected by the Administrator adjust that level accordingly.

ACTIONS IN COURT: JUDICIAL REVIEW OF BOARD DECISIONS

41 USC 609.

SEC. 10. (a)(1) Except as provided in paragraph (2), and in lieu of appealing the decision of the contracting officer under section 6 to an agency board, a contractor may bring an action directly on the claim in the United States Court of Claims, notwithstanding any contract provision, regulation, or rule of law to the contrary.

(2) In the case of an action against the Tennessee Valley Authority, the contractor may only bring an action directly on the claim in a United States district court pursuant to section 1337 of title 28, United States Code, notwithstanding any contract provision, regulation, or rule of law to the contrary.

(3) Any action under paragraph (1) or (2) shall be filed within twelve months from the date of the receipt by the contractor of the decision of the contracting officer concerning the claim, and shall proceed de novo in accordance with the rules of the appropriate court.

(b) In the event of an appeal by a contractor or the Government from a decision of any agency board pursuant to section 8, notwithstanding any contract provision, regulation, or rules of law to the contrary, the decision of the agency board on any question of law shall not be final or conclusive, but the decision on any question of fact shall be final and conclusive and shall not be set aside unless the decision is fraudulent, or arbitrary, or capricious, or so grossly erroneous as to necessarily imply bad faith, or if such decision is not supported by substantial evidence.

(c) In any appeal by a contractor or the Government from a decision of an agency board pursuant to section 8, the court may render an opinion and judgment and remand the case for further action by the agency board or by the executive agency as appropriate, with such direction as the court considers just and proper, or, in its discretion and in lieu of remand it may retain the case and take such additional evidence or action as may be necessary for final disposition of the case.

(d) If two or more suits arising from one contract are filed in the Court of Claims and one or more agency boards, for the convenience of parties or witnesses or in the interest of justice, the Court of Claims may order the consolidation of such suits in that court or transfer any suits to or among the agency boards involved.

(e) In any suit filed pursuant to this Act involving two or more claims, counterclaims, cross-claims, or third-party claims, and where a portion of one such claim can be divided for purposes of decision or judgment, and in any such suit where multiple parties are involved, the court, whenever such action is appropriate, may enter a judgment as to one or more but fewer than all of the claims, portions thereof, or parties.

SUBPENA, DISCOVERY, AND DEPOSITION

41 USC 610.

SEC. 11. A member of an agency board of contract appeals may administer oaths to witnesses, authorize depositions and discovery proceedings, and require by subpena the attendance of witnesses, and production of books and papers, for the taking of testimony or evidence by deposition or in the hearing of an appeal by the agency board.

In case of contumacy or refusal to obey a subpena by a person who resides, is found, or transacts business within the jurisdiction of a United States district court, the court, upon application of the agency board through the Attorney General; or upon application by the board of contract appeals of the Tennessee Valley Authority, shall have jurisdiction to issue the person an order requiring him to appear before the agency board or a member thereof, to produce evidence or to give testimony, or both. Any failure of any such person to obey the order of the court may be punished by the court as a contempt thereof.

INTEREST

SEC. 12. Interest on amounts found due contractors on claims shall be paid to the contractor from the date the contracting officer receives the claim pursuant to section 6(a) from the contractor until payment thereof. The interest provided for in this section shall be paid at the rate established by the Secretary of the Treasury pursuant to Public Law 92-41 (85 Stat. 97) for the Renegotiation Board. 41 USC 611.

APPROPRIATIONS

SEC. 13. (a) Any judgment against the United States on a claim under this Act shall be paid promptly in accordance with the procedures provided by section 1302 of the Act of July 27, 1956, (70 Stat. 694, as amended; 31 U.S.C. 724a). 41 USC 612.

(b) Any monetary award to a contractor by an agency board of contract appeals shall be paid promptly in accordance with the procedures contained in subsection (a) above.

(c) Payments made pursuant to subsections (a) and (b) shall be reimbursed to the fund provided by section 1302 of the Act of July 27, 1956, (70 Stat. 694, as amended; 31 U.S.C. 724a) by the agency whose appropriations were used for the contract out of available funds or by obtaining additional appropriations for such purposes.

(d)(1) Notwithstanding the provisions of subsection (a) through (c), any judgment against the Tennessee Valley Authority on a claim under this Act shall be paid promptly in accordance with the provisions of section 9(b) of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831(h)). 16 USC 831h.

(2) Notwithstanding the provisions of subsection (a) through (c), any monetary award to a contractor by the board of contract appeals for the Tennessee Valley Authority shall be paid in accordance with the provisions of section 9(b) of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831(h)).

AMENDMENTS AND REPEALS

SEC. 14. (a) The first sentence of section 1346(a)(2) of title 28, United States Code, is amended by inserting before the period a comma and the following: "except that the district courts shall not have jurisdiction of any civil action or claim against the United States founded upon any express or implied contract with the United States or for liquidated or unliquidated damages in cases not sounding in tort which are subject to sections 8(g)(1) and 10(a)(1) of the Contract Disputes Act of 1978".

(b) Section 2401(a) of title 28, United States Code, is amended by striking out "Every" at the beginning and inserting in lieu thereof "Except as provided by the Contract Disputes Act of 1978, every".

(c) Section 1302 of the Act of July 27, 1956, as amended (70 Stat. 694, as amended; 31 U.S.C. 724a), is amended by adding after "2677 of title 28" the words "and decisions of boards of contract appeals".

(d) Section 2414 of title 28, United States Code, is amended by striking out "Payment" at the beginning and inserting in lieu thereof "Except as provided by the Contract Disputes Act of 1978, payment".

(e) Section 2517(a) of title 28, United States Code, is amended by striking out "Every" at the beginning and inserting in lieu thereof "Except as provided by the Contract Disputes Act of 1978, every".

(f) Section 2517(b) of title 28, United States Code, is amended by inserting after "case or controversy" the following: ", unless the judgment is designated a partial judgment, in which event only the matters described therein shall be discharged,".

(g) There shall be added to subsection (c) of section 5108 of title 5, United States Code, a paragraph (17) reading as follows:

"(17) the heads of executive departments or agencies in which boards of contract appeals are established pursuant to the Contract Disputes Act of 1978, and subject to the standards and procedures prescribed by this chapter, but without regard to subsection (d) of this section, may place additional positions, not to exceed seventy in number, in GS–16, GS–17, and GS–18 for the independent quasi-judicial determination of contract disputes, with the allocation of such positions among such executive departments and agencies determined by the Administrator for Federal Procurement Policy on the basis of relative case load."

5 USC 5332 note.

Cases, referral.

(h)(1) Section 2510 of title 28, United States Code, is amended by—

(A) inserting "(a)" immediately before such section; and

(B) adding the following new subsection at the end thereof:

"(b)(1) The head of any executive department or agency may, with the prior approval of the Attorney General, refer to the Court of Claims for judicial review any final decision rendered by a board of contract appeals pursuant to the terms of any contract with the United States awarded by that department or agency which such head of such department or agency has concluded is not entitled to finality pursuant to the review standards specified in section 10(b) of the Contracts Disputes Act of 1978. The head of each executive department or agency shall make any referral under this section within one hundred and twenty days of the receipt of a copy of the final appeal decision.

"(2) The Court of Claims shall review the matter referred in accordance with the standards specified in section 10(b) of the Contracts Disputes Act of 1978. The Court shall proceed with judicial review on the administrative record made before the board of contract appeals on matters so referred as in other cases pending in such court, shall determine the issue of finality of the appeal decision, and shall, as appropriate, render judgment thereon, take additional evidence, or remand the matter pursuant to the authority specified in section 1491 of this title.".

28 USC 1491.

(2)(A) The section heading of such section is amended to read as follows:

"§ 2510. Referral of cases by the Comptroller General or the head of an executive department or agency.".

(B) The item relating to section 2510 in the table of sections for chapter 165 of title 28, United States Code, is amended to read as follows:

"2510. Referral of cases by the Comptroller General or the head of an executive department or agency.".

(i) Section 1491 of title 28, United States Code, is amended by adding the following sentence at the end of the first paragraph thereof: "The Court of Claims shall have jurisdiction to render judgment upon any claim by or against, or dispute with, a contractor arising under the Contract Disputes Act of 1978.". Jurisdiction.

SEVERABILITY CLAUSE

SEC. 15. If any provision of this Act, or the application of such provision to any persons or circumstances, is held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby. 41 USC 613.

EFFECTIVE DATE OF ACT

SEC. 16. This Act shall apply to contracts entered into one hundred twenty days after the date of enactment. Notwithstanding any provision in a contract made before the effective date of this Act, the contractor may elect to proceed under this Act with respect to any claim pending then before the contracting officer or initiated thereafter. 41 USC 601 note.

Approved November 1, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1556 (Comm. on the Judiciary).
SENATE REPORT No. 95-1118, accompanying S. 3178 (Comm. on Governmental Affairs and Comm. on the Judiciary).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 26, considered and passed House.
Oct. 12, considered and passed Senate, amended.
Oct. 13, House concurred in Senate amendments.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 44:
Nov. 1, Presidential Statement.

Public Law 95-564
95th Congress

An Act

Nov. 1, 1978
[H.R. 11209]

To provide for the establishment, ownership, operation, and governmental oversight and regulation of international maritime satellite telecommunications services.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Communications Satellite Act of 1962 is amended by adding at the end thereof the following new title:

Communications Satellite Act of 1962, amendment.
47 USC 701 note.

"TITLE V—INTERNATIONAL MARITIME SATELLITE TELECOMMUNICATIONS

"SHORT TITLE

International Maritime Satellite Telecommunications Act.
47 USC 751 note.

"SEC. 501. This title may be cited as the 'International Maritime Satellite Telecommunications Act'.

"DECLARATION OF POLICY AND PURPOSE

47 USC 751.

"SEC. 502. (a) The Congress hereby declares that it is the policy of the United States to provide for the participation of the United States in the International Maritime Satellite Organization (hereinafter in this title referred to as 'INMARSAT') in order to develop and operate a global maritime satellite telecommunications system. Such system shall have facilities and services which will serve maritime commercial and safety needs of the United States and foreign countries.

"(b) It is the purpose of this title to provide that the participation of the United States in INMARSAT shall be through the Communications Satellite Corporation, which constitutes a private entity operating for profit, and which is not an agency or establishment of the Federal Government.

"DESIGNATED OPERATING ENTITY

Communications Satellite Corporation.
47 USC 752.

"SEC. 503. (a)(1) The Communications Satellite Corporation is hereby designated as the sole operating entity of the United States for participation in INMARSAT, for the purpose of providing international maritime satellite telecommunications services.

"(2) The corporation also shall have authority to participate in any other maritime satellite telecommunications system on an interim basis to serve the maritime commercial and safety needs of the United States through an interim operating arrangement in accordance with subsection (b).

"(3) The corporation may participate in and is hereby authorized to sign the operating agreement or other pertinent instruments of INMARSAT as the sole designated operating entity of the United States.

"(b)(1) The corporation may participate in any maritime satellite telecommunications system under subsection (a)(2) only if—

"(A) the corporation signs the operating agreement of INMARSAT before beginning such participation;

"(B) such participation is in the nature of an interim operating arrangement remaining in effect only until INMARSAT begins its operations; and

"(C) (i) in the case of participation which may be undertaken only pursuant to a treaty or executive agreement, such treaty or executive agreement is in effect; or

"(ii) in any case in which participation does not require any treaty or executive agreement, the President does not disapprove such participation during the period of 60 calendar days after the corporation notifies the President of such proposed participation.

"(2) If the corporation participates in an interim operating arrangement with a maritime satellite telecommunications system under this subsection, the provisions of this title relating to participation of the corporation in INMARSAT also shall apply to such interim participation.

Presidential disapproval, publication in Federal Register.

"(3) Any disapproval by the President under paragraph (1) (C) (ii) shall be published in the Federal Register as soon as practicable after the date of such disapproval.

"(c) The corporation—

"(1) may own and operate satellite earth terminal stations in the United States;

"(2) shall interconnect such stations, and the maritime satellite telecommunications provided by such stations, with the facilities and services of United States domestic common carriers and international common carriers, other than any common carrier or other entity in which the corporation has any ownership interest, as authorized by the Commission;

"(3) shall interconnect such stations and the maritime satellite telecommunications provided by such stations, with the facilities and services of private communications systems, unless the Commission finds that such interconnection will not serve the public interest; and

"(4) may establish, own, and operate the United States share of the jointly owned international space segment and associated ancillary facilities.

Financial obligation.

"(d) The corporation shall be responsible for fulfilling any financial obligation placed upon the corporation as a signatory to the operating agreement or other pertinent instruments, and any other financial obligation which may be placed upon the corporation as the result of a convention or other instrument establishing INMARSAT. The corporation shall be the sole United States representative in the managing body of INMARSAT.

Satellite earth terminal station.

"(e) (1) Any person, including the Federal Government or any agency thereof, may be authorized, in accordance with paragraph (2) or paragraph (3), to be the sole owner or operator, or both, of any satellite earth terminal station if such station is used for the exclusive purposes of training personnel in the use of equipment associated with the operation and maintenance of such station, or in carrying out experimentation relating to maritime satellite telecommunications services.

"(2) If the person referred to in paragraph (1) is the Federal Government or any agency thereof, such satellite earth terminal station shall have been authorized to operate by the executive department charged with such responsibility.

Authorization.

"(3) In any other case, such satellite earth terminal station shall have been authorized by the Commission.

"(f) The Commission may authorize ownership of satellite earth terminal stations by persons other than the corporation at any time the Commission determines that such additional ownership will enhance the provision of maritime satellite services in the public interest.

"(g) The Commission shall determine the operational arrangements under which the corporation shall interconnect its satellite earth terminal station facilities and services with United States domestic common carriers and international common carriers, other than any common carrier, system, or other entity in which the corporation has any ownership interest, and private communications systems when authorized pursuant to subsection (c)(3) for the purpose of extending maritime satellite telecommunications services within the United States and in other areas. The initial determination of operational arrangements shall be made by the Commission no later than 6 months after the effective date of this title, and the Commission shall thereupon transmit to the Congress a report relating to such determination.

Report to Congress.

"(h) Notwithstanding any provision of State law, the articles of incorporation of the corporation shall provide for the continued ability of the board of directors of the corporation to transact business under such circumstances of national emergency as the President or his delegate may determine would not permit a prompt meeting of the number of directors otherwise required to transact business.

"IMPLEMENTATION OF POLICY

47 USC 753.

"SEC. 504. (a) The Secretary of Commerce shall—

"(1) coordinate the activities of Federal agencies with responsibilities in the field of telecommunications (other than the Commission), so as to ensure that there is full and effective compliance with the provisions of this title;

"(2) take all necessary steps to ensure the availability and appropriate utilization of the maritime satellite telecommunications services provided by INMARSAT for general governmental purposes, except in any case in which a separate telecommunications system is required to meet unique governmental needs or is otherwise required in the national interest;

"(3) exercise his authority in a manner which seeks to obtain coordinated and efficient use of the electromagnetic spectrum and orbital space, and to ensure the technical compatibility of the space segment with existing communications facilities in the United States and in foreign countries; and

"(4) take all necessary steps to determine the interests and needs of the ultimate users of the maritime satellite telecommunications system and to communicate the views of the Federal Government on utilization and user needs to INMARSAT.

"(b) The President shall exercise such supervision over, and issue such instructions to, the corporation in connection with its relationships and activities with foreign governments, international entities, and INMARSAT as may be necessary to ensure that such relationships and activities are consistent with the national interest and foreign policy of the United States.

"(c) The Commission shall—

"(1) institute such proceedings as may be necessary to carry out the provisions of section 503 of this title;

Recommendations to President.

"(2) make recommendations to the President for the purpose of assisting him in his issuance of instructions to the corporation;

"(3) grant such authorizations as may be necessary under title II and title III of the Communications Act of 1934 to enable the corporation— 47 USC 201, 301.

"(A) to provide to the public, in accordance with section 503(c)(2) of this title, space segment channels of communication obtained from INMARSAT; and

"(B) to construct and operate such satellite earth terminal stations in the United States as may be necessary to provide sufficient access to the space segment;

"(4) grant such other authorizations as may be necessary under title II and title III of the Communications Act of 1934 to carry out to the provisions of this title;

"(5) establish procedures to provide for the continuing review of the telecommunications activities of the corporation as the United States signatory to the operating agreement or other pertinent instruments; and

"(6) prescribe such rules as may be necessary to carry out the provisions of this title.

"(d) The Commission is authorized to issue instructions to the corporation with respect to regulatory matters within the jurisdiction of the Commission. In the event an instruction of the Commission conflicts with an instruction of the President pursuant to subsection (b), the instructions issued by the President shall prevail. Instruction conflicts.

"STUDY OF STRUCTURE AND ACTIVITIES OF COMMUNICATIONS SATELLITE CORPORATION

"SEC. 505. (a) The Commission shall conduct a study of the corporate structure and operating activities of the corporation, with a view toward determining whether any changes are required to ensure that the corporation is able to effectively fulfill its obligations and carry out its functions under this Act and the Communications Act of 1934. 47 USC 754. 47 USC 609.

"(b) The Commission shall transmit a report to the Congress not later than 18 months after the effective date of this title relating to the study of the corporation conducted under subsection (a). Such report shall contain a detailed statement of the findings and conclusions of such study, any action taken by the Commission related to such findings and conclusions, and any recommendations of the Commission for such legislative or other action as the Commission considers necessary or appropriate. Report to Congress.

"STUDY OF PUBLIC MARITIME COAST STATION SERVICES

"SEC. 506. (a) The Commission shall conduct a study of public maritime coast station services, with particular emphasis on high seas services, with a view toward determining whether the rules and regulations of the Commission and the assignment of licenses and radio frequencies in effect on the effective date of this title should be subject to any alteration in order to establish a systematic approach for the provision of modern and effective maritime telecommunications systems. 47 USC 755.

"(b) The Commission shall transmit a report to the Congress not later than 12 months after the effective date of this title relating to the study of public maritime coast station services conducted under subsection (a). Such report shall contain a detailed statement of the findings and conclusions of such study, any action taken by the Commission related to such findings and conclusions, and any recom- Report to Congress.

mendations of the Commission for such legislative or other action as the Commission considers necessary or appropriate.

"STUDY OF RADIO NAVIGATION SYSTEMS

47 USC 756.

"SEC. 507. (a) The President, in conjunction with Government agencies which will or may be affected by the development of a Government-wide radio navigation plan, shall conduct a study of all Government radio navigation systems to determine the most effective manner of reducing the proliferation and overlap of such systems. The objective of such study shall be the development of such a plan.

Presidential report and recommendations, transmittal to Congress.

"(b) The President shall transmit a report to the Congress no later than 12 months after the effective date of this title relating to the study conducted under subsection (a) of this section. Such report shall contain a detailed statement of the findings and conclusions of such study, any action taken by the President related to such findings and conclusions, and any recommendations of the President for such legislation or other action as the President considers necessary or appropriate for implementation of a Government-wide radio navigation plan.

"DEFINITIONS

47 USC 757.

"SEC. 508. For purposes of this title—

"(1) the term 'person' includes an individual, partnership, association, joint stock company, trust, or corporation;

"(2) the term 'satellite earth terminal station' means a complex of communications equipment located on land, operationally interconnected with one or more terrestrial communications systems, and capable of transmitting telecommunications to, or receiving telecommunications from, the space segment;

"(3) the term 'space segment' means any satellite (or capacity on a satellite) maintained under the authority of INMARSAT, for the purpose of providing international maritime telecommunications services, and the tracking, telemetry, command, control, monitoring, and related facilities and equipment required to support the operation of such satellite; and

"(4) the term 'State' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.".

Approved November 1, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1134, Pt. I (Comm. on Interstate and Foreign Commerce) and Pt. II. (Comm. on Merchant Marine and Fisheries).

SENATE REPORT No. 95-1036 (Comm. on Commerce, Science, and Transportation).

CONGRESSIONAL RECORD, Vol. 124 (1978):

May 15, considered and passed House.

Aug. 7, considered and passed Senate, amended.

Oct. 12, House concurred in Senate amendment with an amendment.

Oct. 13, House vacated proceedings of Oct. 12; receded, and concurred in Senate amendment with an amendment.

Oct. 13, Senate concurred in House amendment.

Public Law 95-565
95th Congress

An Act

To amend the Regional Rail Reorganization Act of 1973 to authorize the purchase of an additional $1,200,000,000 of the series A preferred stock of the Corporation, and for other purposes.

Nov. 1, 1978
[S. 2788]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "United States Railway Association Amendments Act of 1978".

United States Railway Association Amendments Act of 1978.
45 USC 701 note.

SEC. 2. (a) Section 216(a) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 726(a)) is amended by striking out "$1,100,000,000" and inserting in lieu thereof "$2,300,000,000".

(b) Section 216(b)(2) of such Act (45 U.S.C. 716(b)(2)) is amended by striking out "$1,100,000,000" and inserting in lieu thereof "$2,300,000,000".

45 USC 726.

(c) Section 216(f) of such Act (45 U.S.C. 726(f)) is amended by striking out "$2,100,000,000" and inserting in lieu thereof "$3,300,000,000".

SEC. 3. Section 216 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 726) is further amended by redesignating subsection (f) thereof as subsection (g) and by inserting immediately after subsection (e) thereof a new subsection as follows:

"(f)(1) The Association shall not invest the final $345,000,000 of the additional investment in the Corporation authorized by the Regional Rail Reorganization Act Amendments of 1978 unless and until (A) the Corporation has in effect an employee stock ownership plan which satisfies the requirements of paragraphs (2) and (3), and (B) the requirements of the other paragraphs of this subsection have been satisfied.

Employee stock ownership plan.

"(2) The employee stock ownership plan shall:

"(A) provide:

"(i) for a transfer to the plan and allocation to the accounts of plan participants in periodic installments of Series A preferred stock of the Corporation with a stated redemption value of at least $345,000,000 or any other securities in an amount determined by the Association, with the concurrence of the Finance Committee, as constituting a meaningful interest in the Corporation, or any combination thereof so determined by the Association, with the concurrence of the Finance Committee. The use of Series A preferred stock to fund the Employee Stock Ownership Plan shall not be interpreted to relieve ConRail of the responsibility for repaying in full to the United States Railway Association its indebtedness as represented by all shares originally issued under Public Law 94-210 and this Act;

"(ii) for immediate vesting of the rights of participants to such securities upon allocation, subject to defeasance as a result of the plan's termination which termination shall occur in the event that, by the end of the 120th month beginning after the month in which securities or interests therein are first allocated to participants' accounts, the Corporation has not

attained for two consecutive quarters positive net income and a freight labor cost to freight revenue ratio equal to the average such ratio for all Class I railroads in 1977, as determined pursuant to procedures adopted by the Corporation pursuant to regulations promulgated by the Association with the concurrence of the Finance Committee;

"(B) be an employee benefit plan which is designed to invest primarily in employer securities;

"(C) meets such other requirements (similar to requirements applicable to employee stock ownership plans as defined in section 4975(e)(7) of the Internal Revenue Code of 1954) as the Secretary of the Treasury or his delegate may describe;

26 USC 4975.

"(D) have been approved by the Board of Directors of the Corporation to the extent and in the manner which may be required by the Corporation's articles of incorporation and bylaws then in effect; and

"(E) have been prepared in consultation with, and been approved by, the Association and the Finance Committee.

"(3) Notwithstanding any other provision of law, if a plan does not meet the requirements of section 401 of the Internal Revenue Code of 1954—

26 USC 401.

"(A) stock transferred under paragraph (2) and allocated to the account of any participant under paragraph (2) shall not be considered income of the participant or his beneficiary under the Internal Revenue Code of 1954 until such stock or dividends are actually distributed or made available to the participant or his beneficiary and, at such time, shall be taxable under section 72 of the Internal Revenue Code of 1954 (treating the participant or his beneficiary as having a basis of 0 in the stock);

26 USC 72.

"(B) no amount shall be allocated to any participant under the plan in excess of the amount which might be allocated if the plan met the requirements of section 401 of the Internal Revenue Code of 1954; and

"(C) the plan must meet the requirements of sections 410 and 415 of the Internal Revenue Code of 1954.

26 USC 410, 415.

"(4) The Corporation shall adopt such terms and conditions governing the securities or interests therein to be transferred to the plan (including limitations on voting rights) as the Association, with the concurrence of the Finance Committee, determines are necessary to protect reasonably the interests of the United States in the litigation pursuant to section 303(c) of this Act and in the event of any action to further reorganize or restructure the Corporation's assets or capital structure.

45 USC 743.

"(5) The Corporation, the Association, and a representative appointed by the Chairman of the Railway Labor Executives' Association as representative of all the classes or crafts of employees of the Corporation shall engage in negotiations to agree upon a plan in accordance with the provisions of this subsection. The parties shall incorporate their agreement into a written plan instrument specifying

the terms and conditions set forth in this subsection and such other terms and conditions as they may decide upon, with the concurrence of the Finance Committee, unless the parties are unable to reach on an agreement on the plan following the exertion of every reasonable effort to do so, in accordance with the Railway Labor Act, in which event, the Corporation and the Association, with the concurrence of the Finance Committee, shall establish a written plan with such terms and conditions as they may agree upon in accordance with this subsection. Within one year after the effective date of this subsection, the Corporation shall transmit a draft of such plan to the Congress and shall report on its progress in establishing and administering the plan. The report shall include recommendations of contractual and statutory provisions necessary to reasonably (A) exempt any Trustee of the plan, the Corporation, the Association, any member of the Finance Committee, and any other person from any fiduciary duty, responsibility or liability for the acquisition of, investment in, or retention of any security or interest therein of the Corporation or for any other transaction contemplated by this subsection and (B) provide for the United States to indemnify, defend, and hold harmless such persons against any and all liabilities, claims, actions, judgments, amounts paid in settlement, and costs and expenses actually incurred in connection with any matter so exempted in which it is determined that such persons were acting in good faith and in a manner they believed to not be opposed to the best interests of the plan.

Plan, transmittal to Congress.

"(6) Within fourteen months of the effective date of this subsection, the Association shall report to the Congress on the draft plan and on any legal obstacle to the ability of the Corporation to effectuate and implement an employee stock ownership plan of the nature contemplated by this subsection, including specific recommendations on amendments to this subsection and other relevant laws which would harmonize the requirements of this subsection with those other laws. The Department of Transportation and the Department of the Treasury, as each finds appropriate, shall provide separate comments to the Association for inclusion with such report.

Report to Congress.

"(7) For the purposes of this subsection, the officers of each duly authorized representative of the crafts or classes of the employees of the Corporation who have been given leaves of absence by the Corporation to serve as such officers, are to be eligible to participate in such plan on the same basis as are employees whose employment is governed by a collective bargaining agreement with the Corporation.".

SEC. 4. (a) The first section of the Act entitled "An Act to authorize the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes", approved March 12, 1914 (38 Stat. 305; 43 U.S.C. 957), is amended by inserting after "to fix compensation of all officers, agents, or other employees designated by him;" the following: "and, notwithstanding any other provision of law or regulation, to fix relocation, travel and transportation expenses for the General Manager of the railroad designated under this Act".

43 USC 975.

(b) This section shall apply to the General Manager serving on the date of enactment of this section with respect to relocation, travel,

43 USC 975 note.

or transportation expenses which were incurred before or after the date of enactment of this section.

SEC. 5. Section 505 of the Railroad Revitalization and Regulatory Reform Act (45 U.S.C. 825) is amended by (a) striking the last sentence of subsection (d)(3) thereof; and (b) striking "purchase under this title after September 30, 1978," and inserting in lieu thereof ", after September 30, 1979, make commitments to purchase under this title" in subsection (e) thereof.

Railroad bridge, reconstruction.

SEC. 6. (a) The Consolidated Rail Corporation shall (1) carry out such reconstruction of the railroad bridge over the Hudson River at Poughkeepsie, New York, as is necessary for the purposes of this section and make appropriate repairs and improvements in rail yards and tracks which service the rail system using such bridge, (2) restore freight service on such system at least to the extent provided prior to the fire damage to such bridge in 1974, and (3) take appropriate steps to promote the use of such system.

Appropriation authorization.

(b) There is authorized to be appropriated to the Secretary of Transportation not to exceed $9,000,000 for making payments to the Corporation to cover costs incurred pursuant to subsection (a)(1).

45 USC 747.

SEC. 7. Section 307 of the Regional Rail Reorganization Act is amended by inserting after subsection (b) a new subsection (c) as follows:

Report to Congress.

"(c) MONITORING OF THE CORPORATION.—(1) The Association shall also report to the Congress, in accordance with this subsection, on the policies of the Corporation and the results of such policies with respect to operations, cost containment, and marketing.

"(2) Within 90 days after the date of enactment of this subsection, the Association shall (A) subdivide each such policy area into constituent parts or groups of parts which are specific and significant, (B) identify the most appropriate indicia to reflect accurately such parts or groups of parts, and (C)(i) determine any and all deficiencies in data used to compute the values of such indicia including consistency and clarity of definitions, timeliness of data entry, editing and validation of input data, and processing, and (ii) outline the efforts of the Association and Corporation to correct the deficiencies and the results of such efforts. On or before the end of such 90-day period, the Association shall submit to the Congress such methodological information and additional information which the Association deems necessary or appropriate to further the purpose of this title.

Information, submittal to Congress.

"(3) Using such indicia, the Association shall report on (A) the relationship of each constituent part or groups of parts to the Corporation's revenue and capital and operating expenses, (B) the extent to which such parts or group of parts contributes to profits or losses, (C) the efforts of management to contain or reduce the contribution of such part or group of parts to losses, (D) the results of such efforts, and (E) such other information as the Association deems necessary or appropriate.

Monitoring report, transmittal to Congress.

"(4) The Association shall (A) transmit to the Congress the first such monitoring report pursuant to paragraph (3) at the end of the first calendar quarter which begins after the end of the 90-day period

for preparation and submission of the methodological information pursuant to paragraph (2), (B) report such monitoring information to the Congress at the end of the first quarter of each calendar year thereafter, (C) update methodological and monitoring information periodically as the Association deems necessary or appropriate, but in no case less frequently than once a year, and (D) where the results of such updating are statistically significant or relevant to Congressional policymaking, report them and the reasons for their significance at the end of the calendar quarter in which the updating occurred.".

Approved November 1, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1175, accompanying H.R. 12161 (Comm. on Interstate and Foreign Commerce).
SENATE REPORT No. 95-885 (Comm. on Commerce, Science, and Transportation).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Aug. 1, considered and passed Senate.
Oct. 6, 11, 15, H.R. 12161 considered and passed House; passage vacated, and S. 2788, amended, passed in lieu.

Public Law 95-566
95th Congress

An Act

Nov. 1, 1978
[S. 2539]

To amend title IV of the Higher Education Act of 1965 to increase the availability of assistance to middle-income students.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Middle Income Student Assistance Act".

Middle Income Student Assistance Act.
20 USC 1001 note.

SEC. 2. (a) Section 411(a)(3)(B) of the Higher Education Act of 1965 (hereinafter in this Act referred to as the "Act") is amended by adding at the end thereof the following new division:

"(iv) In determining the expected family contribution under this subparagraph for any academic year after academic year 1978-1979, an assessment rate of not more than 10.5 per centum shall be applied to parental discretionary income.".

Basic educational opportunity grants.
20 USC 1070a.

(b) Section 411(a)(3)(C) of the Act is amended by adding at the end thereof the following: "In addition, such regulations shall—

"(i) provide that the portion of assets which shall be exempt from assessment for contribution for an independent student who has one or more dependents shall be the same as the portion so exempt for the family of a dependent student;

"(ii) provide that the rate of assessment for contribution on that portion of assets of such an independent student which is not exempt under division (i) shall be the same as the rate applied to the comparable portion of assets of the family of a dependent student; and

(iii) in establishing a portion of effective family income which shall be exempt from assessment for contribution by reason of subsistence requirements of independent students who have no dependents, use the same method for computation of such portion for such students as is used for dependent students and for independent students who have dependents.".

(c) Section 411(b)(3)(B)(i) is amended—

(1) by redesignating subdivisions (II), (III), and (IV) as subdivisions (IV), (V), and (VI), respectively; and

(2) by striking out subdivision (I) and inserting in lieu thereof the following:

"(I) the full amount in the case of any entitlement which exceeds $1,600;

"(II) in the case of any entitlement which exceeds $1,200 but does not exceed $1,600, 90 per centum thereof;

"(III) in the case of any entitlement which exceeds $1,000 but does not exceed $1,200, 75 per centum thereof;".

(d) Section 411(b)(5) of the Act is amended to read as follows:

"(5) No payment may be made on the basis of entitlements established under this subpart during the fiscal year ending September 30, 1980, if, for such fiscal year—

"(A) the appropriation for making grants under subpart 2 of this part does not at least equal $370,000,000;

"(B) the appropriation for work-study payments under section 441 of this title does not at least equal $500,000,000; and

42 USC 2751.

"(C) the appropriation for capital contributions to student loan funds under part E of this title does not at least equal $286,000,000.".

SEC. 3. Section 415C(b)(4) of the Act is amended by inserting before the semicolon at the end thereof a comma and the following: "except in any State in which participation of nonprofit institutions of higher education is in violation of the constitution of the State". 20 USC 1070c-2.

SEC. 4. Section 417B(b) of the Higher Education Act of 1965 is amended by inserting immediately after paragraph (5) the following new sentence: "No individual who is an eligible veteran, as that term is defined by section 1652(a) of title 38, United States Code, shall be deemed ineligible to participate in any program under this subsection by reason of such individual's age.". 20 USC 1070d-1.

SEC. 5. (a)(1) Section 427(a)(2)(C)(i) of the Act is amended by striking out "or" and by inserting immediately after "Commissioner," the following: "or pursuant to a rehabilitation training program for disabled individuals approved by the Commissioner,". 20 USC 1077.

(2) Section 428(b)(1)(M)(i) of the Act is amended by striking out "or" and by inserting immediately after "Commissioner," the following: "or pursuant to a rehabilitation training program for disabled individuals approved by the Commissioner,". 20 USC 1078.

(b)(1) Section 428(a)(2) of the Act is amended—

(A) by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

"(2)(A) Each student qualifying for a portion of an interest payment under paragraph (1) shall have provided to the lender a statement from the eligible institution, at which the student has been accepted for enrollment, or at which he is in attendance in good standing (as determined by the institution), which—

"(i) sets forth such student's estimated cost of attendance, and

"(ii) sets forth such student's estimated financial assistance."; and

(B) by redesignating subparagraph (C) as subparagraph (B) and by striking out subparagraph (D).

(2) Section 425(a)(1)(A) of the Act is amended by striking out "section 428(a)(2)(C)(i)" and inserting in lieu thereof "section 428(a)(2)(B)(i)". 20 USC 1075.

(3) Section 428(a)(2)(B) of the Act (as redesignated by paragraph (1)(A) of this subsection) is amended by striking out the semicolon at the end of clause (iii) and inserting in lieu thereof a period and by striking out clause (iv) of such section.

(4) Section 428(a) of the Act is amended by striking out paragraph (9).

(5) Section 428(b)(1)(A)(i) of the Act is amended by striking out "section 428(a)(2)(C)(i)" and inserting in lieu thereof "section 428(a)(2)(B)(i)".

SEC. 6. Section 491(b)(3) of the Act is amended by inserting immediately after the first sentence thereof the following new sentence: "Such term also includes a proprietary educational institution in any State which, in lieu of the requirement in clause (1) of section 1201(a), admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located and who have the ability to benefit from the training offered by the institution.". 20 USC 1088. 20 USC 1141.

20 USC 1088f.

SEC. 7. Section 497 of the Act is amended by adding after subsection (c) thereof the following new subsection:

"(d) Any determinations of need made for the purposes of part C or part E of this title shall include considerations of the factor described in section 413C(a)(2)(v). Nothing in this subsection shall be deemed to prohibit the taking into account for the purposes of such parts of other factors used for the determination of need under other parts of this title.".

42 USC 2751.
20 USC 1088.
20 USC 1070b-2.

SEC. 8. Part B of title IV of the Act is further amended by inserting after section 439A the following new section:

20 USC 1087-3a.

"SEC. 439B. Any loan under this part may be counted as part of the expected family contribution in the determination of need for parts A, C, and E of this title, notwithstanding any other provisions of parts A, C, and E.".

20 USC 1070.

Effective date.
20 USC 1070a note.

SEC. 9. The amendments made by this Act shall take effect upon enactment, except that the amendments made by subsections (a), (b), and (c), of section 2 shall be effective with respect to periods of enrollment beginning on or after August 1, 1979.

Approved November 1, 1978.

LEGISLATIVE HISTORY:

SENATE REPORT No. 95-643 (Comm. on Human Resources).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Aug. 15, 16, considered and passed Senate.
Oct. 14, H.R. 11274 considered and passed House; passage vacated, and S. 2539, amended, passed in lieu.
Oct. 15, Senate concurred in House amendments.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 44:
Nov. 1, Presidential statement.

Public Law 95-567
95th Congress

An Act

To amend the Communications Act of 1934 to extend and improve the provisions of such Act relating to long-term financing for the Corporation for Public Broadcasting and relating to certain grant programs for public telecommunications, and for other purposes.

Nov. 2, 1978
[H.R. 12605]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Telecommunications Financing Act of 1978".

Public Telecommunications Financing Act of 1978.
47 USC 609 note.

TITLE I—CONSTRUCTION AND PLANNING OF FACILITIES

DECLARATION OF PURPOSE

SEC. 101. Section 390 of the Communications Act of 1934 is amended to read as follows:

47 USC 390.

"DECLARATION OF PURPOSE

"SEC. 390. The purpose of this subpart is to assist, through matching grants, in the planning and construction of public telecommunications facilities in order to achieve the following objectives: (1) extend delivery of public telecommunications services to as many citizens of the United States as possible by the most efficient and economical means, including the use of broadcast and nonbroadcast technologies; (2) increase public telecommunications services and facilities available to, operated by, and owned by minorities and women; and (3) strengthen the capability of existing public television and radio stations to provide public telecommunications services to the public.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 102. Section 391 of the Communications Act of 1934 is amended to read as follows:

47 USC 391.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 391. There are authorized to be appropriated $40,000,000 for each of the fiscal years 1979, 1980, and 1981, to be used by the Secretary of Commerce to assist in the planning and construction of public telecommunications facilities as provided in this subpart. Sums appropriated under this subpart for any fiscal year shall remain available until expended for payment of grants for projects for which applications approved by the Secretary pursuant to this subpart have been submitted within such fiscal year. Sums appropriated under this subpart may be used by the Secretary to cover the cost of administering the provisions of this subpart.".

CONSTRUCTION AND PLANNING

SEC. 103. (a) Section 392 of the Communications Act of 1934 is amended to read as follows:

47 USC 392.

"GRANTS FOR CONSTRUCTION AND PLANNING

"SEC. 392. (a) For each project for the construction of public telecommunications facilities there shall be submitted to the Secretary an application for a grant containing such information with respect to such project as the Secretary may require, including the total cost of such project, the amount of the grant requested for such project, and a 5-year plan outlining the applicant's projected facilities requirements and the projected costs of such facilities requirements. Each applicant shall also provide assurances satisfactory to the Secretary that—

"(1) the applicant is (A) a public broadcast station; (B) a noncommercial telecommunications entity; (C) a system of public telecommunications entities; (D) a nonprofit foundation, corporation, institution, or association organized primarily for educational or cultural purposes; or (E) a State or local government (or any agency thereof), or a political or special purpose subdivision of a State;

"(2) the operation of such public telecommunications facilities will be under the control of the applicant;

"(3) necessary funds to construct, operate, and maintain such public telecommunications facilities will be available when needed;

"(4) such public telecommunications facilities will be used only for the provision of public telecommunications services;

"(5) the applicant has participated in comprehensive planning for such public telecommunications facilities in the area which the applicant proposes to serve, and such planning has included an evaluation of alternate technologies and coordination with State educational television and radio agencies, as appropriate; and

"(6) the applicant will make the most efficient use of the grant.

"(b) Upon approving any application under this section with respect to any project for the construction of public telecommunications facilities, the Secretary shall make a grant to the applicant in an amount determined by the Secretary, except that such amount shall not exceed 75 percent of the amount determined by the Secretary to be the reasonable and necessary cost of such project.

"(c) The Secretary may provide such funds as the Secretary deems necessary for the planning of any project for which construction funds may be obtained under this section. An applicant for a planning grant shall provide such information with respect to such project as the Secretary may require and shall provide assurances satisfactory to the Secretary that the applicant meets the eligible requirements of subsection (a) to receive construction assistance.

"(d) Any studies conducted by or for any grant recipient under this section shall be provided to the Secretary, if such studies are conducted through the use of funds received under this section.

Rules and regulations.

"(e) The Secretary shall establish such rules and regulations as may be necessary to carry out this subpart, including rules and regulations relating to the order of priority in approving applications for construction projects and relating to determining the amount of each grant for such projects.

Post, p. 2408.

"(f) In establishing criteria for grants pursuant to section 393 and in establishing procedures relating to the order of priority established in subsection (e) in approving applications for grants, the Secretary shall give special consideration to applications which would increase minority and women's ownership of, operation of, and par-

ticipation in public telecommunications entities. The Secretary shall take affirmative steps to inform minorities and women of the availability of funds under this subpart, and the localities where new public telecommunications facilities are needed, and to provide such other assistance and information as may be appropriate. Minorities and women, notice.

"(g) If, within 10 years after completion of any project for construction of public telecommunications facilities with respect to which a grant has been made under this section—

"(1) the applicant or other owner of such facilities ceases to be an agency, institution, foundation, corporation, association, or other entity described in subsection (a)(1); or

"(2) such facilities cease to be used only for the provision of public telecommunications services (unless the Secretary determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so);

the United States shall be entitled to recover from the applicant or other owner of such facilities the amount bearing the same ratio to the value of such facilities at the time the applicant ceases to be such an entity or at the time of such determination (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facilities are situated), as the amount of the Federal participation bore to the cost of construction of such facilities.

"(h) Each recipient of assistance under this subpart shall keep such records as may be reasonably necessary to enable the Secretary to carry out the functions of the Secretary under this subpart, including a complete and itemized inventory of all public telecommunications facilities under the control of such recipient, and records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project in connection with which such assistance is given or used, the amount and nature of that portion of the cost of the project supplied by other sources, and such other records as will facilitate an effective audit. Recordkeeping requirements.

"(i) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of any recipient of assistance under this subpart that are pertinent to assistance received under this subpart.". Books, documents, records, accessibility.

(b)(1) The provisions of section 392(g) of the Communications Act of 1934, as added by subsection (a), shall apply to any grant made under section 392 of such Act before, on, or after the date of the enactment of this Act. Any authority and responsibilities of the Secretary of Health, Education, and Welfare regarding the administration of such grants are hereby transferred to the Secretary of Commerce. 47 USC 392 note. *Ante*, p. 2405. Administration of grants, transferred to Commerce.

(2) Subject to the provisions of section 202 of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 581c), the following are hereby transferred to the Secretary of Commerce for appropriate allocation—

(A) the personnel employed in connection with or in support of, or as an integral part of the mission of, the functions transferred to the Secretary of Commerce from the Secretary of Health, Education, and Welfare by paragraph (1); and

(B) the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, allocations, and other funds employed, held, used, arising from, available for, or to be made available for, or in connection with, the functions described in subparagraph (A).

Unexpended funds transferred pursuant to this paragraph shall be used only for the purposes for which the funds originally were authorized and appropriated.

(3) The Director of the Office of Management and Budget, in consultation with the Secretary of Commerce and the Secretary of Health, Education, and Welfare, shall—

(A) make such determinations as may be necessary with regard to the transfer of the functions transferred to the Secretary of Commerce from the Secretary of Health, Education, and Welfare by paragraph (1); and

(B) make such additional incidental dispositions of personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, allocations, and other funds employed, held, used, arising from, available for, or to be made available for, or in connection with, the functions described in subparagraph (A);

as the Director may deem necessary to accomplish the purposes of this Act and the amendments made by this Act.

CRITERIA FOR APPROVAL AND EXPENDITURES BY SECRETARY OF COMMERCE

47 USC 393.

SEC. 104. Section 393 of the Communications Act of 1934 is amended to read as follows:

"CRITERIA FOR APPROVAL AND EXPENDITURES BY SECRETARY OF COMMERCE

"SEC. 393. (a) The Secretary, in consultation with the Corporation, public telecommunications entities, and as appropriate with others, shall establish criteria for making construction and planning grants. Such criteria shall be consistent with the objectives and provisions set forth in this subpart, and shall be made available to interested parties upon request.

Grants.

"(b) The Secretary shall base determinations of whether to approve applications for grants under this subpart, and the amount of such grants, on criteria developed pursuant to subsection (a) and designed to achieve—

"(1) the provision of new telecommunications facilities to extend service to areas currently not receiving public telecommunications services;

"(2) the expansion of the service areas of existing public telecommunications entities;

"(3) the development of public telecommunications facilities owned by, operated by, and available to minorities and women; and

"(4) the improvement of the capabilities of existing public broadcast stations to provide public telecommunications services.

Ante, p. 2405.

"(c) Of the funds appropriated pursuant to section 391 for any fiscal year, not less than 75 percent shall be available to extend delivery of public telecommunications services to areas not receiving such services through grants for facilities of new and existing public telecommunications entities, and preoperational expenses associated with such facilities. In choosing among applicants for grants, the Secretary shall compare the advantages of alternate technologies on the basis of costs and benefits.

Noncommercial radio broadcast station facilities.

"(d) Of the sums appropriated pursuant to section 391 for any fiscal year, a substantial amount shall be available for the expansion and development of noncommercial radio broadcast station facilities.".

LONG-RANGE PLANNING FOR FACILITIES

SEC. 105. Section 394 of the Communications Act of 1934 is amended to read as follows: 47 USC 394.

"LONG-RANGE PLANNING FOR FACILITIES

"SEC. 394. (a) The Secretary, in consultation with the Corporation, public telecommunications entities, and as appropriate with other parties, shall develop a long-range plan to accomplish the objectives set forth in section 390. Such plan shall include a detailed 5-year projection of the broadcast and nonbroadcast public telecommunications facilities required to meet such objectives, and the expenditures necessary to provide such facilities. *Post*, p. 2405.

"(b) The plan required in subsection (a) shall be updated annually, and a summary of the activities of the Secretary in implementing the plan, shall be submitted concurrently to the President and the Congress not later than the 31st day of December of each year.". Report to President and Congress.

MISCELLANEOUS PROVISIONS

SEC. 106. (a) The heading for part IV of title III of the Communications Act of 1934 is amended to read as follows: 37 USC 390.

"PART IV—ASSISTANCE FOR PUBLIC TELECOMMUNICATIONS FACILITIES; TELECOMMUNICATIONS DEMONSTRATIONS; CORPORATION FOR PUBLIC BROADCASTING".

(b) The heading for subpart A of part IV of title III of the Communications Act of 1934 is amended to read as follows:

"Subpart A—Assistance for Public Telecommunications Facilities".

(c) The position of Deputy Assistant Secretary of Commerce for Communications and Information, established in Department of Commerce Organization Order Numbered 10-10 (effective March 26, 1978), shall be compensated at the rate of pay in effect from time to time for level V of the Executive Schedule under section 5316 of title 5, United States Code. 5 USC 5316 note. Compensation.

TITLE II—TELECOMMUNICATIONS DEMONSTRATIONS

ASSISTANCE FOR DEMONSTRATION PROJECTS

SEC. 201. Part IV of title III of the Communications Act of 1934 is amended by striking out section 392A and section 395, by redesignating subpart B and subpart C as subpart C and subpart D, respectively, and by inserting after subpart A the following new subpart: 47 USC 392a, 395.

"Subpart B—Telecommunications Demonstrations

"ASSISTANCE FOR DEMONSTRATION PROJECTS

"SEC. 395. (a) It is the purpose of this subpart to promote the development of nonbroadcast telecommunications facilities and services for the transmission, distribution, and delivery of health, education, and public or social service information. The Secretary is authorized, upon receipt of an application in such form and containing such information as he may by regulation require, to make grants 47 USC 395.

to, and enter into contracts with, public and private nonprofit agencies, organizations, and institutions for the purpose of carrying out telecommunications demonstrations.

Application approval.

"(b) The Secretary may approve an application submitted under subsection (a) if he determines that—

"(1) the project for which application is made will demonstrate innovative methods or techniques of utilizing nonbroadcast telecommunications equipment or facilities to satisfy the purpose of this subpart;

"(2) demonstrations and related activities assisted under this subpart will remain under the administration and control of the applicant;

"(3) the applicant has the managerial and technical capability to carry out the project for which the application is made; and

"(4) the facilities and equipment acquired or developed pursuant to the application will be used substantially for the transmission, distribution, and delivery of health, education, or public or social service information.

Contract with applicant.

"(c) Upon approving any application under this subpart with respect to any project, the Secretary shall make a grant to or enter into a contract with the applicant in an amount determined by the Secretary not to exceed the reasonable and necessary cost of such project. The Secretary shall pay such amount from the sums available therefor, in advance or by way of reimbursement, and in such installments consistent with established practice, as he may determine.

"(d) Funds made available pursuant to this subpart shall not be available for the construction, remodeling, or repair of structures to house the facilities or equipment acquired or developed with such funds, except that such funds may be used for minor remodeling which is necessary for and incidental to the installation of such facilities or equipment.

"Nonbroadcast telecommunications facilities."

"(e) For purposes of this section, the term 'nonbroadcast telecommunications facilities' includes, but is not limited to, cable television systems, communications satellite systems and related terminal equipment, and other modes of transmitting, emitting, or receiving images and sounds or intelligence by means of wire, radio, optical, electromagnetic, or other means.

Funding.

"(f) The funding of any demonstration pursuant to this subpart shall continue for not more than 3 years from the date of the original grant or contract.

Summary and evaluation.

"(g) The Secretary shall require that the recipient of a grant or contract under this subpart submit a summary and evaluation of the results of the demonstration at least annually for each year in which funds are received pursuant to this section.

Recordkeeping requirements.

"(h)(1) Each recipient of assistance under this subpart shall keep such records as may be reasonably necessary to enable the Secretary to carry out the Secretary's functions under this subpart, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

Books, documents, records, accessibility.

"(2) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purposes of audit and examination to any books, docu-

ments, papers, and records of the recipient that are pertinent to assistance received under this subpart.

"(i) The Secretary is authorized to make such rules and regulations as may be necessary to carry out this subpart, including regulations relating to the order of priority in approving applications for projects under this subpart or to determining the amounts of grants for such projects. Rules and regulations.

"(j) The Commission is authorized to provide such assistance in carrying out the provisions of this subpart as may be requested by the Secretary. The Secretary shall provide for close coordination with the Commission in the administration of the Secretary's functions under this subpart which are of interest to or affect the functions of the Commission. The Secretary shall provide for close coordination with the Corporation in the administration of the Secretary's functions under this subpart which are of interest to or affect the functions of the Corporation. Assistance.

"(k) There are authorized to be appropriated $1,000,000 for each of the fiscal years 1979, 1980, and 1981, to be used by the Secretary to carry out the provisions of this subpart. Sums appropriated under this subsection for any fiscal year shall remain available for payment of grants or contracts for projects for which applications approved under this subpart have been submitted within one year after the last day of such fiscal year.". Appropriation authorization.

TITLE III—CORPORATION FOR PUBLIC BROADCASTING

DECLARATION OF POLICY

SEC. 301. Section 396(a) of the Communications Act of 1934 is amended to read as follows: 47 USC 396.

"SEC. 396. (a) The Congress hereby finds and declares that—

"(1) it is in the public interest to encourage the growth and development of public radio and television broadcasting, including the use of such media for instructional, educational, and cultural purposes;

"(2) it is in the public interest to encourage the growth and development of nonbroadcast telecommunications technologies for the delivery of public telecommunications services;

"(3) expansion and development of public telecommunications and of diversity of its programming depend on freedom, imagination, and initiative on both local and national levels;

"(4) the encouragement and support of public telecommunications, while matters of importance for private and local development, are also of appropriate and important concern to the Federal Government;

"(5) it furthers the general welfare to encourage public telecommunications services which will be responsive to the interests of people both in particular localities and throughout the United States, and which will constitute an expression of diversity and excellence;

"(6) it is necessary and appropriate for the Federal Government to complement, assist, and support a national policy that will most effectively make public telecommunications services available to all citizens of the United States; and

"(7) a private corporation should be created to facilitate the development of public telecommunications and to afford maximum protection from extraneous interference and control.".

CHAIRMAN OF THE BOARD

47 USC 396.

SEC. 302. Section 396(d)(1) of the Communications Act of 1934 is amended by striking out "President shall designate one of the members first appointed to the Board as Chairman; thereafter the".

COMPENSATION OF OFFICERS AND EMPLOYEES

SEC. 303. (a) Section 396(e)(1) of the Communications Act of 1934 is amended by inserting after the first sentence the following new sentence: "No officer or employee of the Corporation may be compensated by the Corporation at an annual rate of pay which exceeds the rate of basic pay in effect from time to time for level I of the Executive Schedule under section 5312 of title 5, United States Code.".

47 USC 396 note.

(b) The amendment made by subsection (a) shall not be construed to reduce the annual rate of pay of any officer or employee of the Corporation for Public Broadcasting in any case in which (1) such officer or employee was appointed or named to any position in the Corporation before the date of the enactment of this Act; and (2) the annual rate of pay for such position, as in effect on such date of enactment, exceeds the maximum rate of pay established in section 396(e)(1) of the Communications Act of 1934, as amended by subsection (a).

PURPOSES AND ACTIVITIES OF CORPORATION

SEC. 304. Section 396(g) of the Communications Act of 1934 is amended to read as follows:

"Purposes and Activities of Corporation

"(g)(1) In order to achieve the objectives and to carry out the purposes of this subpart, as set out in subsection (a), the Corporation is authorized to—

"(A) facilitate the full development of public telecommunications in which programs of high quality, diversity, creativity, excellence, and innovation, which are obtained from diverse sources, will be made available to public telecommunications entities, with strict adherence to objectivity and balance in all programs or series of programs of a controversial nature;

"(B) assist in the establishment and development of one or more interconnection systems to be used for the distribution of public telecommunications services so that all public telecommunications entities may disseminate such services at times chosen by the entities;

"(C) assist in the establishment and development of one or more systems of public telecommunications entities throughout the United States; and

"(D) carry out its purposes and functions and engage in its activities in ways that will most effectively assure the maximum freedom of the public telecommunications entities and systems from interference with, or control of, program content or other activities.

"(2) In order to carry out the purposes set forth in subsection (a), the Corporation is authorized to—

"(A) obtain grants from and make contracts with individuals and with private, State, and Federal agencies, organizations, and institutions;

"(B) contract with or make grants to public telecommunications entities, national, regional, and other systems of public telecommunications entities, and independent producers and production entities, for the production or acquisition of public telecommunications services to be made available for use by public telecommunications entities, except that—

"(i) to the extent practicable, proposals for the provision of assistance by the Corporation in the production or acquisition of programs or series of programs shall be evaluated on the basis of comparative merit by panels of outside experts, representing diverse interests and perspectives, appointed by the Corporation; and

"(ii) nothing in this subparagraph shall be construed to prohibit the exercise by the Corporation of its prudent business judgment with respect to any contract or grant to assist in the production or acquisition of any program or series of programs recommended by any such panel;

"(C) make payments to existing and new public telecommunications entities to aid in financing the production or acquisition of public telecommunications services by such entities, particularly innovative approaches to such services, and other costs of operation of such entities; Payments.

"(D) establish and maintain, or contribute to, a library and archives of noncommercial educational and cultural radio and television programs and related materials and develop public awareness of, and disseminate information about, public telecommunications services by various means, including the publication of a journal;

"(E) arrange, by grant to or contract with appropriate public or private agencies, organizations, or institutions, for interconnection facilities suitable for distribution and transmission of public telecommunications services to public telecommunications entities;

"(F) hire or accept the voluntary services of consultants, experts, advisory boards, and panels to aid the Corporation in carrying out the purposes of this subpart;

"(G) conduct (directly or through grants or contracts) research, demonstrations, or training in matters related to public television or radio broadcasting and the use of nonbroadcast communications technologies for the dissemination of noncommercial educational and cultural television or radio programs;

"(H) make grants or contracts for the use of nonbroadcast telecommunications technologies for the dissemination to the public of public telecommunications services; and

"(I) take such other actions as may be necessary to accomplish the purposes set forth in subsection (a).

Nothing contained in this paragraph shall be construed to commit the Federal Government to provide any sums for the payment of any obligation of the Corporation which exceeds amounts provided in advance in appropriation Acts.

"(3) To carry out the foregoing purposes and engage in the foregoing activities, the Corporation shall have the usual powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act (D.C. Code, sec. 29-1001 et seq.), except that the Corporation is prohibited from— Prohibitions.

"(A) owning or operating any television or radio broadcast station, system, or network, community antenna television system,

interconnection system or facility, program production facility, or any public telecommunications entity, system, or network; and

"(B) producing programs, scheduling programs for dissemination, or disseminating programs to the public.

"(4) All meetings of the Board of Directors of the Corporation, including any committee of the Board, shall be open to the public under such terms, conditions, and exceptions as are set forth in subsection (k)(4).

Post, p. 2415.

Study, completion.

"(5) The Corporation, in consultation with public broadcast stations, shall undertake a study to determine the manner in which personal services of volunteers should be included in determining the level of non-Federal financial support pursuant to subsection (k)(2)(A). The study, which shall be completed not later than 180 days after the effective date of this paragraph, shall include an examination of any fiscal, administrative, or other factors which should be taken into account in determining the manner in which such services should be so included, and shall include proposed valuation standards. Upon completion, the study and the proposed valuation standards shall be submitted to the Comptroller General of the United States for approval.

Submission to Comptroller General.

"(6) The Corporation, in consultation with interested parties, shall create a 5-year plan for the development of public telecommunications services. Such plan shall be updated annually by the Corporation.".

INTERCONNECTION SERVICE

47 USC 396.

SEC. 305. Section 396(h) of the Communications Act of 1934 is amended to read as follows:

"Interconnection Service

"(h)(1) Nothing in this Act, or in any other provision of law, shall be construed to prevent United States communications common carriers from rendering free or reduced rate communications interconnection services for public television or radio services, subject to such rules and regulations as the Commission may prescribe.

"(2) Subject to such terms and conditions as may be established by public telecommunications entities receiving space satellite interconnection facilities or services purchased or arranged for, in whole or in part, with funds authorized under this part, other public telecommunications entities shall have reasonable access to such facilities or services for the distribution of educational and cultural programs to public telecommunications entities. Any remaining capacity shall be made available to other persons for the transmission of noncommercial educational and cultural programs and program information relating to such programs, to public telecommunications entities, at a charge or charges comparable to the charge or charges, if any, imposed upon a public telecommunications entity for the distribution of noncommercial educational and cultural programs to public telecommunications entities. No such person shall be denied such access whenever sufficient capacity is available.".

ANNUAL REPORT TO CONGRESS

SEC. 306. Section 396(i) of the Communications Act of 1934 is amended to read as follows:

"Report to Congress

"(i)(1) The Corporation shall submit an annual report for the preceding fiscal year ending September 30 to the President for transmittal to the Congress on or before the 15th day of February of each year. The report shall include— Report to President and Congress.

"(A) a comprehensive and detailed report of the Corporation's operations, activities, financial condition, and accomplishments under this subpart and such recommendations as the Corporation deems appropriate;

"(B) a comprehensive and detailed inventory of funds distributed by Federal agencies to public telecommunications entities during the preceding fiscal year; and

"(C) the summary of the annual report provided to the Secretary pursuant to section 398(b)(4). *Post*, p. 2420.

"(2) The officers and directors of the Corporation shall be available to testify before appropriate committees of the Congress with respect to such report, the report of any audit made by the Comptroller General pursuant to subsection (1), or any other matter which such committees may determine.".

FINANCING; OPEN MEETINGS AND FINANCIAL RECORDS

SEC. 307. (a) Section 396(k) of the Communications Act of 1934 is amended to read as follows: 47 USC 396.

"Financing; Open Meetings and Financial Records

"(k)(1)(A) There is hereby established in the Treasury a fund which shall be known as the Public Broadcasting Fund (hereinafter in this subsection referred to as the 'Fund'), to be administered by the Secretary of the Treasury. Public Broadcasting Fund. Establishment.

"(B) There is authorized to be appropriated to the Fund, for each of the fiscal years 1978, 1979, and 1980, an amount equal to 40 percent of the total amount of non-Federal financial support received by public broadcasting entities during the fiscal year second preceding each such fiscal year, except that the amount so appropriated shall not exceed $121,000,000 for fiscal year 1978, $140,000,000 for fiscal year 1979, and $160,000,000 for fiscal year 1980 Appropriation authorizations.

"(C) There is authorized to be appropriated to the Fund, for each of the fiscal years 1981, 1982, and 1983, an amount equal to 50 percent of the total amount of non-Federal financial support received by public broadcasting entities during the fiscal year second preceding each such fiscal year, except that the amount so appropriated shall not exceed $180,000,000 for fiscal year 1981, $200,000,000 for fiscal year 1982, and $220,000,000 for fiscal year 1983.

"(D) Funds appropriated under this subsection shall remain available until expended.

"(2)(A) The funds authorized to be appropriated by this subsection shall be used by the Corporation, in a prudent and financially responsible manner, solely for its grants, contracts, and administrative costs, except that the Corporation may not use any funds appropriated under this subpart for purposes of conducting any reception, or providing any other entertainment, for any officer or employee of the Federal Government or any State or local government. The Corporation shall determine the amount of non-Federal financial support received by public broadcasting entities during each of the fiscal years referred to

in paragraph (1) for the purpose of determining the amount of each authorization, and shall certify such amount to the Secretary of the Treasury, except that the Corporation may include in its certification non-Federal financial support received by a public broadcasting entity during its most recent fiscal year ending before September 30 of the year for which certification is made. Upon receipt of such certification, the Secretary of the Treasury shall make available to the Corporation, from such funds as may be appropriated to the Fund, the amount authorized for each of the fiscal years pursuant to the provisions of this subsection.

"(B) Funds appropriated and made available under this subsection shall be disbursed by the Secretary of the Treasury on a quarterly basis, in such amounts as the Corporation certifies will be necessary to meet its financial obligations in the succeeding quarter.

Reservation for distribution.

"(3)(A) The Corporation shall reserve for distribution among the licensees and permittees of public television and radio stations an amount equal to—

"(i) not less than 40 percent of the funds disbursed by the Corporation from the Fund under this section in each fiscal year in which the amount disbursed is $88,000,000 or more, but less than $121,000,000;

"(ii) not less than 45 percent of such funds in each fiscal year in which the amount disbursed is $121,000,000 or more, but less than $160,000,000; and

"(iii) not less than 50 percent of such funds in each fiscal year in which the amount disbursed is $160,000,000 or more.

Annual budget, establishment.

"(B)(i) The Corporation shall establish an annual budget according to which it shall make grants and contracts for production of public television or radio programs by independent producers and production entities and public telecommunications entities, for acquisition of such programs by public telecommunications entities, for interconnection facilities and operations, for distribution of funds among public telecommunications entities, and for engineering and program-related research. A significant portion of funds available under the budget established by the Corporation under this subparagraph shall be used for funding the production of television and radio programs. Of such portion, a substantial amount shall be reserved for distribution to independent producers and production entities for the production of programs.

Funds, distribution to outside entities.

"(ii) All funds contained in the annual budget established by the Corporation under clause (i) shall be distributed to entities outside the Corporation and shall not be used for the general administrative costs of the Corporation, the salaries or related expenses of Corporation personnel and members of the Board, or for expenses of consultants and advisers to the Corporation.

"(iii) During each of the fiscal years 1981, 1982, and 1983, the annual budget established by the Corporation under clause (i) shall consist of not less than 95 percent of the funds made available by the Secretary of the Treasury to the Corporation pursuant to paragraph (2)(A).

"(iv) In determining the amount of funds which shall be made available for radio programming and operations under this subparagraph, the Corporation shall take into account the increased financial needs relating to radio programming and operations resulting from the expansion and development of noncommercial radio broadcast station facilities through the use of funds made available pursuant to section 393(d).

Ante, p. 2408.

"(C) In fiscal year 1981, the Corporation may expend an amount equal to not more than 5 percent of the funds made available by the Secretary of the Treasury during such fiscal year pursuant to paragraph (2)(A) for those activities authorized under subsection (g)(2) which are not among those grant activities described in subparagraph (B).

"(D) In fiscal years 1982 and 1983, the amount which the Corporation may expend for activities authorized under subsection (g)(2) which are not among those grant activities described in subparagraph (B) shall be 105 percent of the amount derived for the preceding fiscal year.

Open meetings.

"(4) Funds may not be distributed pursuant to this subsection to the Public Broadcasting Service or National Public Radio (or any successor organization), or to the licensee or permittee of any public broadcast station, unless the governing body of any such organization, any committee of such governing body, or any advisory body of any such organization, holds open meetings preceded by reasonable notice to the public. All persons shall be permitted to attend any meeting of the board, or of any such committee or body, and no person shall be required, as a condition to attendance at any such meeting, to register such person's name or to provide any other information. Nothing contained in this paragraph shall be construed to prevent any such board, committee, or body from holding closed sessions to consider matters relating to individual employees, proprietary information, litigation and other matters requiring the confidential advice of counsel, commercial or financial information obtained from a person on a privileged or confidential basis, or the purchase of property or services whenever the premature exposure of such purchase would compromise the business interests of any such organization. If any such meeting is closed pursuant to the provisions of this paragraph, the organization involved shall thereafter (within a reasonable period of time) make available to the public a written statement containing an explanation of the reasons for closing the meeting.

Funds distribution, restriction.

"(5) Funds may not be distributed pursuant to this subsection to any public telecommunications entity that does not maintain for public examination copies of the annual financial and audit reports, or other information regarding finances, submitted to the Corporation pursuant to subsection (1)(3)(B).

Review.

"(6)(A) The Corporation, in consultation with public television and radio licensees, shall review annually the percentage of funds reserved pursuant to paragraph (3)(A), and the criteria and conditions regarding the division and distribution of such funds among public television and radio stations.

Funds, distribution.

"(B) The funds reserved for public broadcast stations pursuant to paragraph (3)(A) shall be divided into two portions, one to be distributed among radio stations and one to be distributed among television stations. The Corporation shall make a basic grant from the portion reserved for television stations to each licensee and permittee of a public television station that is on the air. The balance of the portion reserved for television stations and the total portion reserved for radio stations shall be distributed to licensees and permittees of such stations in accordance with eligibility criteria that promote the public interest in public broadcasting, and on the basis of a formula designed to—

"(i) provide for the financial needs and requirements of stations in relation to the communities and audiences such stations undertake to serve;

"(ii) maintain existing, and stimulate new, sources of non-Federal financial support for stations by providing incentives for increases in such support; and

"(iii) assure that each eligible licensee and permittee of a public radio station receives a basic grant.

Limitation.

"(7) No distribution of funds pursuant to this subsection shall exceed, in any fiscal year, 50 percent of a licensee's or permittee's total non-Federal financial support during the fiscal year second preceding the fiscal year in which such distribution is made.

"(8) The funds distributed pursuant to paragraph (3)(A) may be used at the discretion of the recipient for purposes relating to the provision of public television and radio programming, including, but not limited to—

"(A) producing, acquiring, broadcasting, or otherwise disseminating public television or radio programs;

"(B) procuring national or regional program distribution services that make public television or radio programs available for broadcast or other dissemination at times chosen by stations;

"(C) acquiring, replacing, or maintaining facilities, and real property used with facilities, for the production, broadcast, or other dissemination of public television and radio programs; and

"(D) developing and using nonbroadcast communications technologies for public television or radio programming purposes.

Community advisory board.

"(9)(A) Funds may not be distributed pursuant to this subpart to any public broadcast station unless such station establishes a community advisory board. Any such station shall undertake good faith efforts to assure that the composition of its advisory board reasonably reflects the diverse needs and interests of the communities served by such station.

Review.

"(B) The board shall be permitted to review the programming goals established by the station, the service provided by the station, and the significant policy decisions rendered by the station. The board may also be delegated any other responsibilities, as determined by the governing body of the station. The board shall advise the governing body of the station with respect to whether the programming and other policies of such station are meeting the specialized educational and cultural needs of the communities served by the station, and may make such recommendations as it considers appropriate to meet such needs.

"(C) The role of the board shall be solely advisory in nature, except to the extent other responsibilities are delegated to the board by the governing body of the station. In no case shall the board have any authority to exercise any control over the daily management or operation of the station.

Time limitation.

"(D) In the case of any public broadcast station in existence on the effective date of this paragraph, such station shall comply with the requirements of this paragraph with respect to the establishment of a community advisory board not later than 180 days after such effective date.

"(E) The provision of subparagraph (A) prohibiting the distribution of funds to any public broadcast station unless such station establishes a community advisory board shall be the exclusive remedy for the enforcement of the provisions of this paragraph.

Funds distribution, prohibition.

"(10) Funds may not be distributed pursuant to this subsection to the Public Broadcasting Service or National Public Radio (or any

successor organization) unless assurances are provided to the Corporation that no officer or employee of the Public Broadcasting Service or National Public Radio (or any successor organization), as the case may be, will be compensated at an annual rate of pay which exceeds the rate of basic pay in effect from time to time for level I of the Executive Schedule under section 5312 of title 5, United States Code.".

(b) Section 396(k)(10) of the Communications Act of 1934, as added by subsection (a), shall not be construed to reduce the annual rate of pay of any officer or employee of the Public Broadcasting Service or National Public Radio (or any successor organization) in any case in which (1) such officer or employee was appointed or named to any position in the Public Broadcasting Service or National Public Radio (or any successor organization) before the date of the enactment of this Act; and (2) the annual rate of pay for such position, as in effect on such date of enactment, exceeds the maximum rate of pay established in section 396(k)(10) of the Communications Act of 1934, as added by subsection (a).

47 USC 396 note.
Ante, p. 2415.

FINANCIAL MANAGEMENT AND RECORDS

SEC. 308. Section 396(l)(3) of the Communications Act of 1934 is amended to read as follows:

47 USC 396.

"(3)(A) Not later than 1 year after the effective date of this paragraph, the Corporation, in consultation with the Comptroller General, and as appropriate with others, shall develop accounting principles which shall be used uniformly by all public telecommunications entities receiving funds under this subpart, taking into account organizational differences among various categories of such entities. Such principles shall be designed to account fully for all funds received and expended for public telecommunications purposes by such entities.

Accounting principles, development.

"(B) Each public telecommunications entity receiving funds under this subpart shall be required—

Recordkeeping requirements.

"(i) to keep its books, records, and accounts in such form as may be required by the Corporation;

"(ii) to undergo an annual audit by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State, which audit shall be in accordance with auditing standards developed by the Corporation, in consultation with the Comptroller General; and

"(iii) to furnish annually to the Corporation a copy of the audit report required pursuant to clause (ii), as well as such other information regarding finances (including an annual financial report) as the Corporation may require.

"(C) Any recipient of assistance by grant or contract under this section, other than a fixed price contract awarded pursuant to competitive bidding procedures, shall keep such records as may be reasonably necessary to disclose fully the amount and the disposition by such recipient of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(D) The Corporation or any of its duly authorized representatives shall have access to any books, documents, papers, and records

Books, documents, papers, and records, accessibility.

of any recipient of assistance for the purpose of auditing and examining all funds received or expended for public telecommunications purposes by the recipient. The Comptroller General of the United States or any of his duly authorized representatives also shall have access to such books, documents, papers, and records for the purpose of auditing and examining all funds received or expended for public telecommunications purposes during any fiscal year for which Federal funds are available to the Corporation.".

EQUAL EMPLOYMENT OPPORTUNITY

47 USC 398.

SEC. 309. Section 398 of the Communications Act of 1934 is amended to read as follows:

"FEDERAL INTERFERENCE OR CONTROL PROHIBITED; EQUAL EMPLOYMENT OPPORTUNITY

"SEC. 398. (a) Nothing contained in this part shall be deemed (1) to amend any other provision of, or requirement under, this Act; or (2) except to the extent authorized in subsection (b), to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over public telecommunications, or over the Corporation or any of its grantees or contractors, or over the charter or bylaws of the Corporation, or over the curriculum, program of instruction, or personnel of any educational institution, school system, or public telecommunications entity.

Equal opportunity employment.

Ante, p. 2409.

"(b)(1) Equal opportunity in employment shall be afforded to all persons by the Public Broadcasting Service and National Public Radio (or any successor organization) and by all public telecommunications entities receiving funds pursuant to subpart C (hereinafter in this subsection referred to as 'recipients'), and no person shall be subjected to discrimination in employment by any recipient on the grounds of race, color, religion, national origin, or sex.

Rules and regulations.

"(2)(A) The Secretary is authorized and directed to enforce this subsection and to prescribe such rules and regulations as may be necessary to carry out the functions of the Secretary under this subsection.

"(B) The Secretary shall provide for close coordination with the Commission in the administration of the responsibilities of the Secretary under this subsection which are of interest to or affect the functions of the Commission so that, to the maximum extent possible consistent with the enforcement responsibilities of each, the reporting requirements of public telecommunications entities shall be uniformly based upon consistent definitions and categories of information.

"(3)(A) The Corporation shall incorporate into each grant agreement or contract with any recipient entered into on or after the effective date of the rules and regulations prescribed by the Secretary pursuant to paragraph (2)(A), a statement indicating that, as a material part of the terms and conditions of the grant agreement or contract, the recipient will comply with the provisions of paragraph (1) and the rules and regulations prescribed pursuant to paragraph (2)(A). Any person which desires to be a recipient (within the meaning of paragraph (1)) of funds under subpart C shall, before receiving any such funds, provide to the Corporation any information which the Corporation may require to satisfy itself that such person is affording equal opportunity in employment in accordance with the

requirements of this subsection. Determinations made by the Corporation in accordance with the preceding sentence shall be based upon guidelines relating to equal oportunity in employment which shall be established by rule by the Secretary.

Review.

"(B) If the Corporation is not satisfied that any such person is affording equal opportunity in employment in accordance with the requirements of this subsection, the Corporation shall notify the Secretary, and the Secretary shall review the matter and make a final determination regarding whether such person is affording equal opportunity in employment. In any case in which the Secretary conducts a review under the preceding sentence, the Corporation shall make funds available to the person involved pursuant to the grant application of such person (if the Corporation would have approved such application but for the finding of the Corporation under this paragraph) pending a final determination of the Secretary upon completion of such review. The Corporation shall monitor the equal employment opportunity practices of each recipient throughout the duration of the grant or contract.

Monitoring of equal opportunity practices.

"(C) The provisions of subparagraph (A) and subparagraph (B) shall take effect on the effective date of the rules and regulations prescribed by the Secretary pursuant to paragraph (2)(A).

Report.

"(4) Based upon its responsibilities under paragraph (3), the Corporation shall provide an annual report for the preceding fiscal year ending September 30 to the Secretary on or before the 15th day of February of each year. The report shall contain information in the form required by the Secretary. The Corporation shall submit a summary of such report to the President and the Congress as part of the report required in section 396(i). The Corporation shall provide other information in the form which the Secretary may require in order to carry out the functions of the Secretary under this subsection.

Report summary to President and Congress.
Ante, p. 2414.

"(5) Whenever the Secretary makes a final determination, pursuant to the rules and regulations which the Secretary shall prescribe, that a recipient is not in compliance with paragraph (1), the Secretary shall, within 10 days after such determination, notify the recipient in writing of such determination and request the recipient to secure compliance. Unless the recipient within 120 days after receipt of such written notice—

"(A) demonstrates to the Secretary that the violation has been corrected; or

"(B) enters into a compliance agreement approved by the Secretary;

Reduction or suspension of payments.

the Secretary shall direct the Corporation to reduce or suspend any further payments of funds under this part to the recipient and the Corporation shall comply with such directive. Resumption of payments shall take place only when the Secretary certifies to the Corporation that the recipient has entered into a compliance agreement approved by the Secretary. A recipient whose funds have been reduced or suspended under this paragraph may apply at any time to the Secretary for such certification.

"(c) Nothing in this section shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the content or distribution of public telecommunications programs and services, or over the curriculum or program of instruction of any educational institution or school system.".

TITLE IV—MISCELLANEOUS PROVISIONS; EFFECTIVE DATE

DEFINITIONS

47 USC 397.

SEC. 401. Section 397 of the Communications Act of 1934 is amended to read as follows:

"DEFINITIONS

"SEC. 397. For the purposes of this part—

"(1) The term 'construction' (as applied to public telecommunications facilities) means acquisition (including acquisition by lease), installation, and modernization of public telecommunications facilities and planning and preparatory steps incidental to any such acquisition, installation, or modernization.

"(2) The term 'Corporation' means the Corporation for Public Broadcasting authorized to be established in subpart C.

"(3) The term 'interconnection' means the use of microwave equipment, boosters, translators, repeaters, communication space satellites, or other apparatus or equipment for the transmission and distribution of television or radio programs to public telecommunications entities.

"(4) The term 'interconnection system' means any system of interconnection facilities used for the distribution of programs to public telecommunications entities.

"(5) The term 'meeting' means the deliberations of at least the number of members of a governing or advisory body, or any committee thereof, required to take action on behalf of such body or committee where such deliberations determine or result in the joint conduct or disposition of the governing or advisory body's business, or the committee's business, as the case may be, but only to the extent that such deliberations relate to public broadcasting.

"(6) The terms 'noncommercial educational broadcast station' and 'public broadcast station' mean a television or radio broadcast station which—

"(A) under the rules and regulations of the Commission in effect on the effective date of this paragraph, is eligible to be licensed by the Commission as a noncommercial educational radio or television broadcast station and which is owned and operated by a public agency or nonprofit private foundation, corporation, or association; or

"(B) is owned and operated by a municipality and which transmits only noncommercial programs for education purposes.

"(7) The term 'noncommercial telecommunications entity' means any enterprise which—

"(A) is owned and operated by a State, a political or special purpose subdivision of a State, a public agency, or a nonprofit private foundation, corporation, or association; and

"(B) has been organized primarily for the purpose of disseminating audio or video noncommercial educational and cultural programs to the public by means other than a primary television or radio broadcast station, including, but not limited to, coaxial cable, optical fiber, broadcast translators, cassettes, discs, microwave, or laser transmission through the atmosphere.

"(8) The term 'nonprofit' (as applied to any foundation, corporation, or association) means a foundation, corporation, or association, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(9) The term 'non-Federal financial support' means the total value of cash and the fair market value of property and services (including, to the extent provided in the second sentence of this paragraph, the personal services of volunteers) received—

"(A) as gifts, grants, bequests, donations, or other contributions for the construction or operation of noncommercial educational broadcast stations, or for the production, acquisition, distribution, or dissemination of educational television or radio programs, and related activities, from any source other than (i) the United States or any agency or instrumentality of the United States; or (ii) any public broadcasting entity; or

"(B) as gifts, grants, donations, contributions, or payments from any State, or any educational institution, for the construction or operation of noncommercial educational broadcast stations or for the production, acquisition, distribution, or dissemination of educational television or radio programs, or payments in exchange for services or materials with respect to the provision of educational or instructional television or radio programs.

Such term includes the fair market value of personal services of volunteers, as computed using the valuation standards established by the Corporation and approved by the Comptroller General pursuant to section 396(g)(5), but only with respect to such services provided to public telecommunications entities after such standards are approved by the Comptroller General and only, with respect to such an entity in a fiscal year, to the extent that the value of the services does not exceed 5 percent of the total non-Federal financial support of the entity in such fiscal year.

Ante, p. 2412.

"(10) The term 'preoperational expenses' means all nonconstruction costs incurred by new telecommunications entities before the date on which they begin providing service to the public, and all nonconstruction costs associated with expansion of existing entities before the date on which such expanded capacity is activated, except that such expenses shall not include any portion of the salaries of any personnel employed by an operating public telecommunications entity.

"(11) The term 'public broadcasting entity' means the Corporation, any licensee or permittee of a public broadcast station, or any nonprofit institution engaged primarily in the production, acquisition, distribution, or dissemination of educational and cultural television or radio programs.

"(12) The term 'public telecommunications entity' means any enterprise which—

"(A) is a public broadcast station or a noncommercial telecommunications entity; and

"(B) disseminates public telecommunications services to the public.

"(13) The term 'public telecommunications facilities' means apparatus necessary for production, interconnection, captioning, broadcast, or other distribution of programming, including, but not limited to, studio equipment, cameras, microphones, audio and video storage or reproduction equipment, or both, signal processors and switchers, towers, antennas, transmitters, translators, microwave equipment, mobile equipment, satellite communications equipment, instructional television fixed service equipment, subsidiary communications authorization transmitting and receiving equipment, cable television equipment, video and audio cassettes and discs, optical fiber communications equipment, and other means of transmitting, emitting,

storing, and receiving images and sounds, or intelligence, except that such term does not include the buildings to house such apparatus (other than small equipment shelters which are part of satellite earth stations, translators, microwave interconnection facilities, and similar facilities).

"(14) The term 'public telecommunications services' means noncommercial educational and cultural radio and television programs, and related noncommercial instructional or informational material that may be transmitted by means of electronic communications.

"(15) The term 'Secretary' means the Secretary of Commerce when such term is used in subpart A, and the Secretary of Health, Education, and Welfare when such term is used in subpart B, subpart C, and this subpart.

"(16) The term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

"(17) The term 'system of public telecommunications entities' means any combination of public telecommunications entities acting cooperatively to produce, acquire, or distribute programs, or to undertake related activities.".

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION ANNUAL REPORT

Report to Congress.

SEC. 402. The National Telecommunications and Information Administration shall submit an annual report to the Congress not later than January 31 of each calendar year, beginning with calendar year 1980. Each such report shall relate to the preceding calendar year and shall contain information on the activities of the Administration with respect to domestic communications, international communications, Federal Government communications, spectrum plans and policies, and any other matters.

EFFECTIVE DATE

47 USC 390 note.

SEC. 403. The provisions of this Act, and the amendments made by this Act, shall take effect on the date of the enactment of this Act.

Approved November 2, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-1178 (Comm. on Interstate and Foreign Commerce) and No. 95-1774 (Comm. of Conference).

SENATE REPORT No. 95-858 accompanying S. 2883 (Comm. on Commerce, Science, and Transportation).

CONGRESSIONAL RECORD, Vol. 124 (1978):

July 10, considered and passed House.

Sept. 19, considered and passed Senate, amended, in lieu of S. 2883.

Oct. 13, House agreed to conference report.

Oct. 14, Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 44:

Nov. 2, Presidential statement.

Public Law 95-568
95th Congress

An Act

To amend the Economic Opportunity Act of 1964, and for other purposes.

Nov. 2, 1978
[H.R. 7577]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Opportunity Amendments of 1978".

Economic Opportunity Amendments of 1978.
42 USC 2701 note.

STATEMENT OF PURPOSE

SEC. 2. It is the purpose of this Act to extend and revise programs under title I through title IX of the Economic Opportunity Act of 1964 (hereinafter in this Act referred to as the "Act").

42 USC 2701 note

RESEARCH AND DEMONSTRATIONS

42 USC 2711-2995.

SEC. 3. (a) Section 103 of the Act (42 U.S.C. 2713) is amended by striking out ", whenever feasible,".

(b) Title I of the Act (42 U.S.C. 2711 et seq.) is amended by adding at the end thereof the following new section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 106. There is authorized to be appropriated for the purpose of carrying out the provisions of this title $5,000,000 for fiscal year 1979, $6,000,000 for fiscal year 1980, and $8,000,000 for fiscal year 1981.".

42 USC 2716.

URBAN AND RURAL COMMUNITY ACTION PROGRAMS

SEC. 4. (a) Section 210(c) of the Act (42 U.S.C. 2790(c)) is amended by inserting after the first sentence thereof the following new sentences: "The Director, in determining whether a county or multicounty unit is eligible to be served by a community action agency under this title, shall not apply, as the sole criterion for eligibility, any requirement or restriction relating to the number of individuals residing in the county or multicounty unit if at least 20 per centum of the families and unrelated individuals residing in such unit have incomes below the poverty line as determined by the Bureau of Census from the most recent census or survey. No new community action agency may be designated under subsection (a) within a county or multicounty unit if—

Community action agency, eligibility for service.

New community action agencies, designation restrictions.

"(1) such county or multicounty unit has a population of less than 50,000;

"(2) such county or multicounty unit was served by an existing community action agency on June 1, 1978; and

"(3) the new community action agency would serve a smaller geographical area than that served by an existing community action agency on June 1, 1978.".

(b) Section 210(d) of the Act (42 U.S.C. 2790(d)) is amended by inserting ", in accordance with regulations promulgated by the Director" after "determines".

(c) The first sentence of section 211(b) of the Act (42 U.S.C. 2791 (b)) is amended—

(1) by inserting ", and not less than fifteen," after "fifty-one"; and

(2) by inserting "currently holding office" after "officials" the first place it appears in clause (1).

(d) Section 213 of the Act (2 U.S.C. 2796) is amended by adding at the end thereof the following new subsection:

Annual review.

"(c) The Director shall annually review, and consult with State economic opportunity offices authorized under section 231(a), for the purposes of updating and simplifying, all relevant regulations and guidelines applicable to programs funded under this Act, except with respect to programs funded under title V and or title X.".

42 USC 2921, 2996.

FINANCIAL ASSISTANCE TO COMMUNITY ACTION PROGRAMS

SEC. 5. (a)(1) Section 222(a) of the Act (42 U.S.C. 2809(a)) is amended by inserting after the fourth sentence thereof the following new sentence: "In no event shall the Director provide financial assistance under this title to a public or private nonprofit agency other than a community action agency in an area in which a community action agency exists without prior notification of such financial assistance to the board of such community action agency and to any State economic opportunity office in the State in which financial assistance is provided.".

(2) Section 222(a) of the Act is amended—

(A) by redesignating paragraph (5) thereof as paragraph (1);

(B) by redesignating paragraph (7) thereof as paragraph (2);

(C) by redesignating paragraph (10) thereof as paragraph (3);

(D) by redesignating paragraph (11) thereof as paragraph (4);

(E) by redesignating paragraph (12) thereof as paragraph (5); and

(F) by redesignating paragraph (13) thereof as paragraph (6).

(b)(1) The last sentence of section 222(a)(1) of the Act, as so redesignated by subsection (a)(2), is amended by inserting before the period at the end thereof a comma and the following: "or through a local public or private nonprofit organization or agency providing services to migrant or seasonal farmworkers or Native Americans".

(2) The last sentence of section 222(a)(2) of the Act, as so redesignated by subsection (a)(2), is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and other Federal agencies providing services to the elderly poor. The Director shall seek, to the maximum extent feasible, the utilization of agencies funded under section 221 for the provision of such services available under titles III, V, and VII of the Older Americans Act of 1965, or such other Federal programs serving the elderly poor.".

Utilization of funded agencies. 42 USC 2808.

42 USC 3021, 3041, 3045a.

(c)(1) The second sentence of section 222(a)(4) of the Act, as so redesignated by subsection (a)(2), is amended by striking out "serving" and inserting in lieu thereof "or to local public or private nonprofit organizations or agencies providing services to migrant or seasonal farmworkers or Native Americans which serve".

(2) The third sentence of section 222(a)(4) of the Act, as so redesignated by subsection (a)(2), is amended by inserting "and programs under the Comprehensive Employment and Training Act of 1973" after "Mainstream programs".

Ante, p. 1909.

(d) Section 222(a)(5) of the Act, as so redesignated by subsection (a)(2), is amended by adding the following new sentence at the end thereof: "In carrying out programs to lessen the impact of the high cost

of energy to migrants, other seasonally employed farmworkers, and Native Americans, the Director shall utilize local public or private nonprofit organizations or agencies where feasible. Eligibility for any of the programs authorized under this section shall not be based solely on delinquency in payment of fuel bills.". Eligibility basis.

(e) Section 222(a)(6) of the Act, as so redesignated by subsection (a)(2), is amended to read as follows:

"(6) A program to be known as 'Summer Youth Recreation' designed to provide recreational opportunities for low-income children during the summer months. Funds made available for this paragraph shall be allocated by the Director among community action agencies where feasible, or other public or private nonprofit agencies where no such community action agency exists or is able to administer a program, to provide recreational opportunities for low-income children during the summer months.". Summer Youth Recreation.

(f) Section 222(a) of the Act is amended by adding the following new paragraph at the end thereof:

"(7) A program to be known as 'Demonstration Employment and Training Opportunities' designed to establish experimental employment and training programs and projects for low-income persons who are unemployed or underemployed, with special emphasis on youth, the structurally unemployed (especially those dependent on public assistance), single heads of households with dependent children, older workers, and veterans. The Director may make grants to community action agencies, community economic development corporations (as designated under title VII), and public or private nonprofit organizations and agencies for experimental programs and activities including, but not limited to, providing innovative approaches to employment and training programs, which shall, if necessary, make available to participants comprehensive supportive services; developing programs and linkages for low-income persons to achieve satisfactory transition from either unemployment or federally subsidized jobs to employment that is not federally subsidized; and developing training programs, with special consideration for community development corporations, designed to place disadvantaged youth in the private sector. The Director and the Secretary of Labor shall assure a full exchange of information concerning the employment and training programs subject to their respective jurisdictions in order to assure the most effective and responsive demonstration programs and activities. Any employment and training activities assisted in whole or part with funds made available under this paragraph shall be subject to the applicable conditions, labor standards, and benefits set forth in the Comprehensive Employment and Training Act of 1973 and other related laws.". Demonstration Employment and Training Opportunities. Grants. 42 USC 2981. Exchange of information. *Ante*, p. 1909.

(g) The first sentence of section 225(c) of the Act (42 U.S.C. 2812(c)) is amended to read as follows: "Unless otherwise provided in this part, financial assistance extended to a community action agency or other agency pursuant to section 221 and section 222(a) shall not exceed 80 per centum of the approved cost of the assisted programs or activities.". Limitation. 42 USC 2808, *ante*, p. 2426.

SUPPLEMENTAL PROGRAMS AND ACTIVITIES

SEC. 6. (a) Section 230 of the Act (42 U.S.C. 2824) is amended— 42 USC 2823.

(1) by striking out "may" in the first sentence and inserting in lieu thereof "shall"; and

(2) by striking out "may" in the last sentence and inserting in lieu thereof "shall, to the extent feasible,".

(b)(1) Section 231(a)(1) of the Act (42 U.S.C. 2824(a)(1)) is amended by inserting before the semicolon at the end thereof a comma and the following: "with priority to programs funded under section 221 and section 222".

42 USC 2808, 2809.

(2) Section 231(a) of the Act (42 U.S.C. 2824(a)) is amended—

(A) in paragraph (3) thereof, by striking out "and" at the end thereof;

(B) in paragraph (4) thereof, by striking out the period at the end thereof and inserting in lieu thereof a semicolon; and

(C) by adding at the end thereof the following new paragraphs:

"(5) to advise the Director and the chief elected official of the State on the status and impact of State and Federal programs and services affecting low-income individuals in the State; and

"(6) to assist programs funded under section 221 and section 222 in coordinating and utilizing services available through other State agencies.".

(c) The third sentence of section 232(b) of the Act (42 U.S.C. 2825 (b)) is amended by striking out "minimizing" and inserting in lieu thereof "preventing".

42 USC 2823.

(d) Part C of title II of the Act (42 U.S.C. 2824 et seq.) is amended by striking out section 236 and by redesignating section 237 as section 236.

42 USC 2829, 2830.

(e) Section 236 of the Act, as so redesingated by subsection (d), is amended by striking out "two" and inserting in lieu thereof "six".

GENERAL AND TECHNICAL PROVISIONS

SEC. 7. (a) Part D of title II of the Act (42 U.S.C. 2832 et seq.) is amended by striking out section 240.

(b) Section 244(2) of the Act (42 U.S.C. 2836(2)) is amended by striking out "$15,000" each place it appears therein and inserting in lieu thereof "$15,000", and by striking out "(particularly in large metropolitan areas)".

(c) Section 245 of the Act (42 U.S.C. 2837) is amended by striking out "eleven" and inserting in lieu thereof "fourteen".

SPECIAL PROGRAMS TO COMBAT POVERTY IN RURAL AREAS

SEC. 8. (a) Title III of the Act (42 U.S.C. 2855 et seq.) is amended—

(1) by striking out the title "PART A—RURAL LOAN PROGRAMS";

42 USC 2861-2865, 2871.

(2) by striking out part B and part C thereof; and

(3) by adding at the end thereof the following new section:

"AUTHORIZATION OF APPROPRIATIONS

42 USC 2856.

"SEC. 307. There is authorized to be appropriated for the purpose of carrying out the provisions of this title $3,000,000 for fiscal year 1979, $5,000,000 for fiscal year 1980, and $7,000,000 for fiscal year 1981.".

(b)(1) Section 301 of the Act (42 U.S.C. 2841) is amended by striking out "part" and inserting in lieu thereof "title".

(2) Section 306(d) of the Act (42 U.S.C. 2855(d)) is amended by striking out "part" each place it appears therein and inserting in lieu thereof "title".

ASSISTANCE FOR MIGRANT AND OTHER SEASONALLY EMPLOYED FARMWORKERS AND THEIR FAMILIES

SEC. 9. Title IV of the Act (42 U.S.C. 2701 et seq.) is amended to read as follows:

"TITLE IV—ASSISTANCE FOR MIGRANT AND OTHER SEASONALLY EMPLOYED FARMWORKERS AND THEIR FAMILIES

"STATEMENT OF PURPOSE

"SEC. 401. The purpose of this title is to assist migrant and seasonal farmworkers and their families to improve their living conditions and develop skills necessary for a productive and self-sufficient life in an increasingly complex and technological society. 42 USC 2901.

"FINANCIAL ASSISTANCE

"SEC. 402. (a) The Director may provide financial assistance to assist State and local agencies, private nonprofit institutions, and cooperatives in developing and carrying out programs to fulfill the purpose of this title. 42 USC 2902.

"(b) Programs assisted under this title may include projects or activities—

"(1) to meet the immediate needs of migrant and seasonal farmworkers and their families, such as day care for children, education, health services, improved housing and sanitation (including the provision and maintenance of emergency and temporary housing and sanitation facilities), legal advice and representation, and consumer training and counseling;

"(2) to promote increased community acceptance of migrant and seasonal farmworkers and their families; and

"(3) to equip unskilled migrant and seasonal farmworkers and members of their families, as appropriate, through education and developmental programs to meet the changing demands in agricultural employment brought about by technological advancement and to take advantage of opportunities available to improve their well-being and self-sufficiency by gaining regular or permanent employment or by participating in available federally assisted employment or training programs.

"LIMITATIONS ON ASSISTANCE

"SEC. 403. (a) Assistance may not be extended under this title unless the Director determines that the applicant will maintain its prior level of effort in similar activities. 42 USC 2903.

"(b) The Director shall establish necessary procedures or requirements to assure that programs under this title are carried out in coordination with other programs or activities providing assistance to the persons and groups served. Necessary procedures or requirements.

"TECHNICAL ASSISTANCE, TRAINING AND EVALUATION

"SEC. 404. The Director may provide directly or through grants, contracts, or other arrangements, such technical assistance or training of personnel as may be required to implement effectively the purpose of this title. 42 USC 2904.

"SPECIAL RESPONSIBILITIES

42 USC 2905. "SEC. 405. The Director shall be responsible for coordinating programs under this title with other Federal programs designed to assist or serve migrant and seasonal farmworkers, for reviewing and monitoring such programs, and for insuring that programs assisted under this title cooperate with and receive the cooperation of programs assisted under section 221 in communities which such programs mutually serve. Programs under this title shall be administered at the national level.

"AUTHORIZATION OF APPROPRIATIONS

42 USC 2906. "SEC. 406. There are authorized to be appropriated for carrying out the purposes of this title $3,000,000 for fiscal year 1979, $5,000,000 for fiscal year 1980, $8,000,000 for fiscal year 1981.".

HEADSTART AND FOLLOW THROUGH

SEC. 10. (a) Section 512 of the Act (42 U.S.C. 2928a) is amended by striking out "1975 through 1977" and inserting in lieu thereof "1979 through 1981".

(b)(1) Section 513(a) of the Act (42 U.S.C. 2928b(a)) is amended to read as follows:

"(a)(1) Of the sums appropriated pursuant to section 512 for any fiscal year beginning after September 30, 1978, the Secretary shall allot such sums in accordance with paragraphs (2) through (4).

"(2) The Secretary shall allot at least 78 percent among the States, in accordance with the latest satisfactory data available, so that equal proportions are distributed on the basis of—

"(A) the relative number of recipients receiving payments under the program of aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act in each State as compared to all States; and 42 USC 601.

"(B) the relative number of related children from birth through 5 years of age living with families with incomes below the poverty line in each State as compared to all States.

"(3)(A) Subject to the provisions of subsection (b), the Secretary shall reserve 20 percent of the sums so appropriated for each fiscal year for use in accordance with the following order of priorities:

"(i) funding shall be given with equal consideration to Indian and migrant Headstart programs and to services for handicapped children, except that—

"(I) there shall be made available, for use by Indian and migrant Headstart programs, nationally, no less funds for fiscal year 1979 and thereafter than were obligated for use by Indian and migrant Headstart programs in fiscal year 1978, and

"(II) cost-of-living adjustments (which shall, at the minimum reflect changes in the Consumer Price Index published by the Bureau of Labor Statistics of the United States Department of Labor) shall be made with respect to such Indian and migrant Headstart programs in fiscal year 1979 and thereafter;

"(ii) payments shall be made available to each State or territory, if necessary, to maintain such State or territory at a level of funding equal to its level of funding for fiscal year 1978;

"(iii) training and technical assistance activities which, at a minimum, are sufficient to meet the needs associated with program expansion and to foster program and management improvement activities; and

"(iv) subject to the provisions of subparagraph (B), the remainder in accordance with such criteria and procedures as the Secretary shall prescribe by regulation.

Additional financial assistance.

"(B) Additional financial assistance for a fiscal year may be provided to a State if funds are available after meeting the requirements of clauses (i) through (iii) of subparagraph (A), for purposes other than assistance to Indian and migrant programs, services for handicapped children, payments under subparagraph (A)(ii), and training and technical assistance activities, only if such State's allotment for such fiscal year under paragraph (2) and subparagraph (A)(ii) is not greater than 175 percent of the amount such State is eligible to receive in such fiscal year under paragraph (2).

"(4)(A) Subject to the provisions of subparagraph (E), the Secretary shall reserve 2 percent of the sums appropriated for—

"(i) allotment among Guam, American Samoa, the Trust Territory of the Pacific Islands, the Northern Mariana Islands, and the Virgin Islands, according to their respective needs, and

"(ii) the provision of assistance to States in accordance with the provisions of subparagraph (C).

Total amount of assistance.

"(B) A State shall receive the total amount of assistance calculated under subparagraph (C) for any fiscal year if—

"(i) such State receives an allotment under paragraph (2) and paragraph (3)(A)(ii) which is greater than 100 percent and less than 140 percent of the amount such State is eligible to receive under paragraph (2); or

"(ii) such State receives an allotment under paragraph (2) only and such allotment, as compared to the total amount of assistance received by such State in the previous fiscal year, represents an increase which is less than 50 percent of the percentage increase in the appropriation for such fiscal year for which the determination is made as compared to the appropriation for the fiscal year preceding the fiscal year for which the determination is made.

"(C) Except as provided in subparagraph (D), each State specified in subparagraph (B) shall receive a total amount of assistance for any fiscal year which is equal to the sum of—

"(i) the amount of the allotment received by such State under paragraph (2);

"(ii) the amount of any payments received by such State under paragraph (3)(A)(ii); and

"(iii) an amount equal to the difference between—

"(I) an amount equal to the sum of the total amount of assistance received by such State for the fiscal year preceding the fiscal year for which the determination is made; and the amount derived by multiplying the total amount of assistance received by such State for the most recent fiscal year by a percentage equal to one-half of the percentage increase in the appropriation for that fiscal year for which the determination is made as compared to the appropriation for the fiscal year preceding the fiscal year for which the determination is made; and

"(II) the total of the payments received by such State under paragraph (2) and paragraph (3)(A)(ii) for the fiscal year for which the determination is made.

In the case of any fiscal year for which there is no increase in the appropriation as compared to the appropriation for the preceding fiscal year, each State specified in subparagraph (B) shall receive a total amount of assistance for such fiscal year which is equal to the total amount of assistance such State received for such preceding fiscal year. In the case of any fiscal year for which there is a reduction in the appropriation as compared to the appropriation for the preceding fiscal year, the Secretary shall make such adjustments in the total amount of assistance which each State otherwise would receive under this subparagraph as may be necessary to assure an equitable distribution of such assistance under this subparagraph.

"(D) For fiscal year 1979, each State described in subparagraph (B) shall receive payments in an amount equal to 69 percent of the percentage increase, up to 9 percent, in the appropriation for fiscal year 1979 over the appropriation for fiscal year 1978, or 50 percent of the percentage increase in the appropriation for fiscal year 1979 over the appropriation for fiscal year 1978, whichever is greater.

"(E)(i) Any funds not allotted according to the provisions of this paragraph for any fiscal year shall be allotted according to the provisions of paragraph (2) to those States which, for such fiscal year, receive an allotment under paragraph (2) only.

"(ii) If sums reserved under subparagraph (A) of this paragraph are insufficient in any fiscal year to carry out the provisions of subparagraphs (A), (B), (C), and (D) of this paragraph, the Secretary shall transfer from sums reserved under paragraph (3) an amount necessary to carry out such provisions.".

42 USC 2928b.

(2) Section 513 of the Act is amended by redesignating subsections (b), (c), (d), and (e) as subsections (c), (d), (e), and (f), respectively and by inserting the following new subsection after subsection (a):

42 USC 2928a.

"(b) Whenever funds appropriated pursuant to section 512 for any fiscal year beginning after September 30, 1978, are equivalent to, or exceed $800,000,000, the Secretary, pursuant to the provision of subsection (a)(3), shall reserve not more than 20 percent of $800,000,000 or 15 percent of the funds so appropriated, whichever is greater.".

(c) Section 514 of the Act (42 U.S.C. 2928c) is amended by adding at the end thereof the following new subsection:

"(d) The Secretary shall require that the practice of significantly involving parents and area residents affected by the program in selection of Headstart agencies be continued.".

(d) Section 515(b)(1) of the Act (42 U.S.C. 2928d(b)(1)) is amended by inserting "directly participate in decisions that" before "influence".

(e) Section 517(b) of the Act (42 U.S.C. 2928f(b)) is amended by striking out "six" and inserting in lieu thereof "twelve".

(f) Section 518(a) of the Act (42 U.S.C. 2928g(a)) is amended—

(1) by inserting "(1)" after "(a)";

(2) by striking out "Such" in the second sentence and inserting in lieu thereof "Except as provided in paragraph (2) of this subsection, such";

(3) by redesignating clause (1) and clause (2) as clause (A) and clause (B), respectively;

(4) by striking out "(1)" after "clause" and inserting in lieu thereof "(A)"; and

(5) by adding at the end thereof the following new paragraph:

"(2) Whenever a Headstart program is operated in a community with a population of 1,000 or less individuals and (A) there is no other preschool program in the community, (B) the community is located in a medically underserved area as designated by the Secretary pursuant to section 330(b)(3) of the Public Health Service Act and is located in a health manpower shortage area as designated by the Secretary pursuant to sections 332(a)(1) of such Act, (C) the community is in a location which, by reason of remoteness, does not permit reasonable access to the types of services described in clauses (A) and (B), and (D) not less than 50 per centum of the families to be served in the community are eligible under the eligibility criteria established by the Secretary under paragraph (1) of this subsection, the Headstart program in each such locality shall establish the criteria for eligibility, except that no child residing in such community whose family is eligible under such eligibility criteria shall, by virtue of such project's eligibility criteria, be denied an opportunity to participate in such program.". Criteria for eligibility. 42 USC 254c. 42 USC 254e.

(g) Section 523(b) of the Act (42 U.S.C. 2928(b)) is amended— 42 USC 2928*l*.

(1) by inserting "(1)" after "subsection (a)";

(2) by striking out "subsection (b)" and inserting in lieu thereof "subsection (a)(2)"; and

(3) by striking out "thirty" the second place it appears therein and inserting in lieu thereof "ninety".

(h) Subsections (c) and (d) of section 523 of the Act (42 U.S.C. 2928(c), (d)) are amended by striking out "Director" each place it appears therein and inserting in lieu thereof "Secretary". 42 USC 2928*l*.

(i) Section 524(b) of the Act (42 U.S.C. 2928m(b)) is amended to read as follows:

"(b) The Secretary shall operate the programs and projects covered by this part in accordance with Headstart performance standards. Any revisions in such standards shall result in standards which are no less comprehensive than those in effect on the date of the enactment of the Economic Opportunity Amendments of 1978. The extent to which such standards have been met shall be considered in deciding whether to renew or supplement financial assistance authorized under this part.". Administration. *Ante*, p. 2425.

FOLLOW THROUGH PROGRAM

SEC. 11. (a) Section 551(a)(1) of the Act (42 U.S.C. 2929(a)(1)) is amended by adding at the end thereof the following new sentence: "Other children in kindergarten and primary grades, including such other children enrolled in private nonprofit elementary schools, who were previously enrolled in preschool programs of a compensatory nature which received Federal financial assistance may participate in such Follow Through programs.".

(b) Section 551(a)(3) of the Act is amended by striking out "the Secretary determines", and by inserting "educational, health, nutritional, social, and other" after "comprehensive".

(c) The first sentence of section 552(a) of the Act (42 U.S.C. 2929a(a)) is amended to read as follows:

"(a) There is authorized to be appropriated for carrying out the purposes of this part $70,000,000 for fiscal year 1979, $85,000,000 for fiscal year 1980, and $100,000,000 for fiscal year 1981.".

(d) Part B of title V of the Act (42 U.S.C. 2929 et seq.) is amended—

(1) by striking out section 553; 42 USC 2929b.

(2) by redesignating section 554 as section 557; and 42 USC 2929c.

(3) by inserting after section 552 the following new sections:

"RESEARCH, DEMONSTRATION, AND PILOT PROJECTS

Grants or contracts.
42 USC 2929b.

"SEC. 553. (a) The Secretary may provide financial assistance through grants or contracts for research, demonstration, or pilot projects conducted by public and private agencies which are designed to test or assist in the development of new approaches or methods that will aid in overcoming special problems or in otherwise furthering the purposes of this part.

Overall plan, establishment.

"(b) The Secretary shall establish an overall plan to govern the approval of research, demonstration, or pilot projects and the use of all research authority under this part. Such plan shall set forth specific objectives to be achieved and priorities among such objectives.

"ANNOUNCEMENT OF RESEARCH, DEMONSTRATION, AND PILOT PROJECT CONTRACTS

42 USC 2929b-1.

"SEC. 554. (a) The Secretary shall make a public announcement concerning—

"(1) the title, purpose, intended completion date, identity of the grantee or contractor, and proposed cost of any grant or contract with a private or non-Federal public agency or organization for any research, demonstration, or pilot project under this part; and

"(2) the results, findings, data, or recommendations made or reported as a result of such activities.

"(b) The public announcements required by subsection (a)(1) shall be made not later than 30 days of making such grants or contracts, and the public announcements required by subsection (a)(2) shall be made not later than 90 days of the receipt of such results.

"(c) The Secretary shall take necessary action to assure that all studies, proposals, and data produced or developed with Federal funds employed under this part shall become the property of the United States.

Summaries, submission to Congress.

"(d) The Secretary shall publish summaries of the results of activities carried out pursuant to this part not later than 90 days after the completion thereof. The Secretary shall submit to the appropriate committees of the Congress copies of all such summaries.

"EVALUATION

42 USC 2929b-2.

"SEC. 555. (a) The Secretary shall provide, directly or through grants or contracts, for the continuing evaluation of programs under this part, including evaluations that measure and evaluate the impact of programs authorized by this part, in order to determine their effectiveness in achieving stated goals, their impact on related programs, and their structure and mechanism for delivery of services, including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such programs. Evaluations shall be conducted by persons not directly involved in the administration of the program or project evaluation.

General standards, publication.

"(b) The Secretary shall develop and publish general standards for evaluation of program and project effectiveness in achieving the objectives of this part. The extent to which such standards have been met shall be considered in deciding whether to renew or supplement financial assistance authorized under this part.

"(c) In carrying out evaluations under this part, the Secretary shall, whenever feasible, arrange to obtain the specific views of persons parti-

cipating in and served by programs and projects assisted under this part about such programs and projects.

"(d) The Secretary shall publish the results of evaluative research and summaries of evaluations of program and project impact and effectiveness not later than 90 days after the completion thereof. The Secretary shall submit to the appropriate committees of the Congress copies of all such research studies and evaluation summaries. Research studies and evaluation summaries, submission to congressional committees.

"(e) The Secretary shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with assistance under this section become the property of the United States.

"TECHNICAL ASSISTANCE AND TRAINING

"SEC. 556. The Secretary may provide, directly or through grants or other appropriate arrangements (1) technical assistance to Follow Through programs in developing, conducting, and administering programs under this part, and (2) training for specialized or other personnel which is needed in connection with Follow Through programs.". Grants. 42 USC 2929b-3.

DAY CARE PROJECTS

SEC. 12. Section 583 of the Act (42 U.S.C. 2933) is amended by striking out "ten" and inserting in lieu thereof "thirteen".

ADMINISTRATION AND COORDINATION

SEC. 13. (a)(1) The first sentence of section 601(c) of the Act (42 U.S.C. 2941(c)) is amended by striking out "Subject to the provisions of subsection (e) of this section, the" and inserting in lieu thereof "The".

(2) The last sentence of section 601(c) of the Act (42 U.S.C. 2941(c)) is amended to read as follows: "The Director shall promulgate rules and regulations regarding the final approval of grants and contracts.".

(3) Section 601 of the Act (42 U.S.C. 2941) is amended by striking out subsections (e), (f), (g), and (h).

(b) Section 602(d) of the Act (42 U.S.C. 2942(d)) is amended by striking out "with the approval of the President,".

(c)(1) The first sentence of section 605(a) of the Act (42 U.S.C. 2945(a)) is amended by striking out "twenty-one" and inserting in lieu thereof "fifteen".

(2) The second sentence of section 605(a) of the Act (42 U.S.C. 2945(a)) is amended to read as follows: "Of such members, five shall be appointed from among poor persons, five shall be appointed from among individuals who represent poor persons, and five shall be appointed from among members of the general public.".

(3) Section 605 of the Act (42 U.S.C. 2965) is amended by adding at the end thereof the following new subsection: 42 USC 2945.

"(d) The Advisory Council may not make expenditures or incur obligations, from sums available to carry out this section, which exceed $225,000 for fiscal year 1979, $250,000 for fiscal year 1980, and $275,000 for fiscal year 1981.".

(d) Section 608 of the Act (42 U.S.C. 2948) is amended by inserting before the period at the end thereof a comma and the following: "and shall include the types of services delivered by community action agencies and other programs funded under this Act".

42 USC 2950, 2951.

(e) Part A of title VI of the Act (42 U.S.C. 2941 et seq.) is amended by redesignating section 610 as section 609 and section 610–1 as section 610.

42 USC 2951.

(f) Section 610(b) of the Act, as so redesignated by subsection (e), is amended by striking out "$6,000" and inserting in lieu thereof "$8,000".

(g) Section 615 of the Act (42 U.S.C. 2965) is amended by striking out "eleven" and inserting in lieu thereof "fourteen".

(h) Section 620 of the Act (42 U.S.C. 2970) is amended by striking out the last sentence thereof.

(i) Part A of title VI of the Act (42 U.S.C. 2940 et seq.) is amended by striking out section 621, and by redesignating section 622 through section 628 as section 621 through section 627, respectively.

42 USC 2971, 2971a–2971g.

(j) Section 632(3) of the Act (42 U.S.C. 2974(3)) is amended by inserting after "time." the following new sentence: "The Director shall consult with community action agencies and State offices of economic opportunity in the development of such plan.".

(k) Part B of title VI of the Act (42 U.S.C. 2972 et seq.) is amended by redesignating section 638 as section 639 and by inserting after section 637 the following new section:

42 USC 2980.

"REGIONAL OFFICES

42 USC 2979a.

"SEC. 638. (a) The Director may utilize regional Community Services Administration offices for the purpose of—

"(1) carrying out the national responsibilities and directives delegated to them;

"(2) processing and finalizing grants and contracts authorized under this Act;

"(3) monitoring and evaluating programs funded under this Act within that designated region;

"(4) monitoring and evaluating on an annual basis all relevant regulations and guidelines applicable to programs funded under this Act within that designated region; and

"(5) providing technical assistance to local community action agencies and other programs funded under this Act.

"(b) The Director shall monitor and evaluate at least annually the activities of regional offices as described in subsection (a).".

COMMUNITY ECONOMIC DEVELOPMENT

42 USC 2981b.

SEC. 14. (a) Section 703 of the Act (42 U.S.C. 2981(b)) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 703. For the purpose of carrying out this title, there is authorized to be appropriated $70,000,000 for fiscal year 1979, $85,000,000 for fiscal year 1980, and $105,000,000 for fiscal year 1981. Any sums appropriated under this section shall remain available until expended.".

(b) Title VII of the Act (42 U.S.C. 2981 et seq.) is amended by inserting after section 703 the following new section:

"ADVISORY COMMUNITY INVESTMENT BOARDS

Establishment. 42 USC 2981c.

"SEC. 704. (a) The President is authorized to establish a National Advisory Community Investment Board (hereinafter in this section referred to as the 'Investment Board'). Such Investment Board shall

be composed of fifteen members appointed, for staggered terms and without regard to the civil service laws, by the President, in consultation with the Director. Such members shall be representative of the investment and business communities and appropriate fields of endeavor related to this title. The Investment Board shall meet at the call of the chairperson, but not less often than three times each year. The Director and the administrator of community economic development programs shall be ex officio members of the Investment Board.

Membership.

Meetings.

Ex officio members.

"(b) The Investment Board shall promote cooperation between private investors and businesses and community development corporation projects through—

Cooperation between private investors and others.

"(1) advising the Director and the community development corporations on ways to facilitate private investment;

"(2) advising businesses and other investors of opportunities in community development corporation projects; and

"(3) advising the Director, Community development corporations, and private investors and businesses of ways in which they might engage in mutually beneficial efforts.

"(c) The governing body of each Community Development Corporation may establish an advisory community investment board composed of not to exceed 15 members who shall be appointed by the governing body after consultation with appropriate local officials. Each such board shall promote cooperation between private investors and businesses and the governing body of the Community Development Corporation through—

Advisory community investment board; establishment, membership.

"(1) advising the governing body on ways to facilitate private investors;

"(2) advising businesses and other investors of opportunities in Community Development Corporation projects; and

"(3) advising the governing body, private investors, and businesses of ways in which they might engage in mutually beneficial efforts.".

(c) Section 712(a) of the Act (42 U.S.C. 2982a(a)) is amended—

(1) by striking out "economic and" in paragraph (1), and by inserting "and commercial" after "business";

(2) by inserting "physical" after "community" in paragraph (2);

(3) by inserting before the semicolon in paragraph (3) a comma and the following: "and in section 222(a)(7) of this Act"; 42 USC 2809.

(4) by striking out "economic" in paragraph (4) and inserting in lieu thereof "business and commercial"; and

(5) by inserting "recreation services," after "energy conservation," in paragraph (4).

(d) Section 713(b) of the Act (42 U.S.C. 2982b(b)) is amended by striking out "an" and inserting in lieu thereof "a substantial".

(e) Section 713 of the Act (42 U.S.C. 2982b) is amended by adding at the end thereof the following new subsection:

"(d) Financial assistance for commercial development under this part shall not be extended until the community economic development program that has applied for assistance under this title has specified in some detail its development goals and its development timetable. The Director, in providing continued financial assistance to a community economic development program, shall give serious consideration to the experience that program has had in meeting development goals or in adhering to development timetables.".

(f) Section 714 of the Act (42 U.S.C. 2982c) is amended to read as follows:

"FEDERAL SHARE

42 USC 2982c.
Ante, p. 2437.

"SEC. 714. (a)(1) Assistance provided under this title to any program described in section 712(a) shall not exceed 90 per centum of the cost of such program including costs of administration unless the Director determines that the assistance in excess of such percentage is required in furtherance of the purposes of this title. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

Non-Federal contributions.

Grantees.

"(2) The assistance referred to in paragraph (1) shall be made available (A) for deposit to the order of grantees which have demonstrated successful program performance, under conditions which the Director deems appropriate, within thirty days following approval of the grant agreement by the Director and such grantee, or (B) whenever the Director deems appropriate, in accordance with applicable rules and regulations prescribed by the Secretary of the Treasury, and including any other conditions which the Director deems appropriate, within 30 days following approval of the grant agreement by the Director and such grantee.

Proceeds from Federal property.

"(b) Property acquired as a result of capital investments made by any community development corporation with funds granted as its Federal share of the cost of programs carried out under this title, and the proceeds from such property, shall become the property of the community development corporation and shall not be considered to be Federal property. The Federal Government retains the right to direct that on severance of the grant relationship the assets purchased with grant funds shall continue to be used for the original purpose for which they were granted.".

Assets purchased with grant funds.

42 USC 2983a.

(g) Section 722(b) of the Act (42 U.S.C. 2983) is amended by inserting "or local public and private nonprofit organizations or agencies" after "local cooperative associations".

(h) The first sentence of section 731(a) of the Act (42 U.S.C. 2984(a)) is amended to read as follows: "The Director is authorized to make or guarantee loans (either directly or in cooperation with banks or other organizations through agreements to participate on an immediate or deferred basis) to community development corporations, to families and local cooperatives and the designated supportive organizations of cooperatives eligible for financial assistance under this title, to community action agencies and other community-based organizations eligible for financial assistance under title II of this Act, or to public and private nonprofit organizations or agencies, for business facilities and community development projects, including community development credit unions, which the Director determines will carry out the purposes of this part.".

42 USC 2781.

(i) Section 732(b) of the Act (42 U.S.C. 2984a(b)) is amended by striking out "1975" and inserting in lieu thereof "1979".

(j) Section 742(a)(2) of the Act (42 U.S.C. 2985a(a)(2)) is amended—

(1) by striking out "prescribe such" and inserting in lieu thereof "promulgate";

(2) by striking out "as may be necessary and appropriate"; and

(3) by inserting ", including, but not limited to, programs under section 8(a) of the Small Business Act" before the period.

15 USC 637.

(k) Title VII of the Act (42 U.S.C. 2981 et seq.) is amended by striking out section 745 and by redesignating sections 746, 747, 748, and 749 as sections 745, 746, 747, and 748, respectively.

42 USC 2985c-1, 2985d-2985g.

(l) Section 746(b) of the Act, as so redesignated by subsection (k), is amended by inserting "and demonstration projects" after "research". 42 USC 2985e.

NATIVE AMERICAN PROGRAMS

SEC. 15. Section 814 of the Act (42 U.S.C. 2992d) is amended by striking out "1975 through 1977" and inserting in lieu thereof "1979 through 1981".

EVALUATION

SEC. 16. Title IX of the Act (42 U.S.C. 2995 et seq.) is amended by adding at the end thereof the following new section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 904. There is authorized to be appropriated for the purpose of carrying out the provisions of this title $4,000,000 for fiscal year 1979, $7,000,000 for fiscal year 1980, and $10,000,000 for fiscal year 1981.". 42 USC 2995c.

TECHNICAL AMENDMENTS

SEC. 17. (a)(1) Section 2 of the Act (42 U.S.C. 2701) is amended by striking out "his capabilities" and inserting in lieu thereof "the capabilities of such individual".

(2) Section 102(c) of the Act is amended by striking out "him" the first place it appears therein and inserting in lieu thereof "such chief executive officer", and by striking out "him" the last place it appears therein and inserting in lieu thereof "the Director". 42 USC 2712.

(3)(A) Section 210(d) of the Act (42 U.S.C. 2790(d)) is amended by striking out "he" and inserting in lieu thereof "the Director".

(B) Section 210(f) of the Act is amended—

(i) by striking out "In carrying out his responsibilities under this part the Director" and inserting in lieu thereof "The Director, in carrying out the responsibilities of the Director under this part,"; and

(ii) by striking out "him, as he" and inserting in lieu thereof "the Director, as the Director".

(4) Section 211(d)(1) of the Act (42 U.S.C. 2791(d)(1)) is amended by striking out "he" and inserting in lieu thereof "the Director".

(5) Section 213(b) of the Act (42 U.S.C. 2796(b)) is amended by striking out "He" and inserting in lieu thereof "The Director".

(6)(A) Section 221(a) of the Act (42 U.S.C. 2808(a)) is amended by striking out "He" and inserting in lieu thereof "The Director".

(B) Section 221(b) of the Act (42 U.S.C. 2808(b)) is amended by striking out "he" each place it appears therein and inserting in lieu thereof "the Director".

(C) Section 221(d) of the Act (42 U.S.C. 2808(d)) is amended by striking out "He" and inserting in lieu thereof "The Director".

(D) Section 221(e) of the Act (42 U.S.C. 2808(e)) is amended by striking out "he" each place it appears therein and inserting in lieu thereof "the Director".

(7)(A) The second sentence of section 222(a) of the Act (42 U.S.C. 2809(a)) is amended by striking out "him" and inserting in lieu thereof "the Director".

(B) The fourth sentence of section 222(a) of the Act (42 U.S.C. 2809(a)) is amended by striking out "he" and inserting in lieu thereof "the Director".

(C) Section 222(a)(4) of the Act, as so redesignated by section 6(a)(2), is amended—

Ante, p. 2426.

(i) by striking out "he" each place it appears therein and inserting in lieu thereof "the Director"; and

(ii) by striking out "his adjusted family income" and inserting in lieu thereof "the adjusted family income of such applicant".

(8)(A) Section 225(a) of the Act (42 U.S.C. 2812(a)) is amended by striking out "He" and inserting in lieu thereof "The Director", and by striking out "he" and inserting in lieu thereof "the Director".

(B) Section 225(b) of the Act (42 U.S.C. 2812(b)) is amended by striking out "he" and inserting in lieu thereof "the Director".

(C) Section 225(c) of the Act (42 U.S.C. 2812(c)) is amended by striking out "he" and inserting in lieu thereof "the Director".

(D) Section 225(d) of the Act (42 U.S.C. 2812(d)) is amended by striking out "satisfies himself" and inserting in lieu thereof "is satisfied".

(9) Section 227(c) of the Act (42 U.S.C. 2814(c)) is amended by striking out "he" and inserting in lieu thereof "the Director".

(10) Section 231(d) of the Act (42 U.S.C. 2824(d)) is amended—

(A) by striking out "he" each place it appears therein and inserting in lieu thereof "the Director";

(B) by striking out "his findings" and inserting in lieu thereof "the findings of the Director"; and

(C) by striking out "him" and inserting in lieu thereof "the Director".

(11)(A) Section 232(a) of the Act (42 U.S.C. 2825(a)) is amended by striking out "He" and inserting in lieu thereof "The Director".

(B) Section 232(d) of the Act (42 U.S.C. 2825(d)) is amended by striking out "him" and inserting in lieu thereof "the Director".

(12) Section 235(b) of the Act (42 U.S.C. 2828(b)) is amended by striking out "satisfies himself" and inserting in lieu thereof "is satisfied".

(13)(A) Section 241(b) of the Act (42 U.S.C. 2833(b)) is amended by striking out "he" and inserting in lieu thereof "the Director".

(B) Section 241(c) of the Act (42 U.S.C. 2833(c)) is amended by striking out "he" and inserting in lieu thereof "the Director".

(14) Section 242 of the Act (42 U.S.C. 2834) is amended by striking out "him" and inserting in lieu thereof "the Director".

(15)(A) Section 243(c) of the Act (42 U.S.C. 2835(c)) is amended by striking out "he" and inserting in lieu thereof "the Director".

(B) Section 243(d) of the Act (42 U.S.C. 2835(d)) is amended by striking out "he" and inserting in lieu thereof "the Director".

(16)(A) Section 244(4) of the Act (42 U.S.C. 2836(4)) is amended—

(i) in subparagraph (A) thereof, by striking out "his or her" and inserting in lieu thereof "the";

(ii) in subparagraph (A) thereof, by inserting "of such individual" after "religious beliefs"; and

(iii) in subparagraph (B) thereof, by striking out "he or she" and inserting in lieu thereof "such individual".

(B) Section 244(7) of the Act (42 U.S.C. 2836(7)) is amended—

(i) by striking out "he" each place it appears therein and inserting in lieu thereof "the Director";

(ii) by striking out "him" and inserting in lieu thereof "the Director"; and

(iii) by striking out "his judgment" and inserting in lieu thereof "the judgment of the Director".

(17) Section 513(b) of the Act (42 U.S.C. 2928b(b)) is amended by striking out "he" and inserting in lieu thereof "the Secretary". *Ante*, p. 2432.

(18) Section 516 of the Act (42 U.S.C. 2928e) is amended by striking out "him" and inserting in lieu thereof "the Secretary".

(19)(A) Section 517(b) of the Act (42 U.S.C. 2928f(b)) is amended—

(i) by striking out "he" each place it appears therein and inserting in lieu thereof "the Secretary";

(ii) by striking out "him" and inserting in lieu thereof "the Secretary"; and

(iii) by striking out "his judgment" and inserting in lieu thereof "the judgment of the Secretary".

(B) Section 517(c) of the Act (42 U.S.C. 2928f(c)) is amended by striking out "He" and inserting in lieu thereof "The Secretary".

(20) Section 519(1) of the Act (42 U.S.C. 2928h(1)) is amended by striking out "he" and inserting in lieu thereof "the Secretary".

(21) Section 525(a) of the Act (42 U.S.C. 2928n(a)) is amended by striking out "he" and inserting in lieu thereof "the Secretary".

(22) Section 551(a) of the Act (42 U.S.C. 2929(a)(2)) is amended by striking out "he" each place it appears therein and inserting in lieu thereof "the Secretary".

(23) Section 552(b) of the Act (42 U.S.C. 2929a(b)) is amended by striking out "he" and inserting in lieu thereof "the Secretary".

(24) Section 582(e) of the Act (42 U.S.C. 2932(e)) is amended by striking out "he" and inserting in lieu thereof "the Secretary".

(25)(A) Section 601(d)(1) of the Act (42 U.S.C. 2941(d)(1)) is amended by striking out "his designee" and inserting in lieu thereof "the designee of the Director".

(B) Section 601(d)(3) of the Act (42 U.S.C. 2941(d)(3)) is amended by striking out "his official capacity" and inserting in lieu thereof "the official capacity of such officer".

(26)(A) That portion of section 602 of the Act (42 U.S.C. 2942) which precedes paragraph (a) of such section is amended—

(i) by striking out "him" and inserting in lieu thereof "the Director"; and

(ii) by striking out "his functions" and inserting in lieu thereof "the functions of the Director".

(B) Section 602(c) of the Act (42 U.S.C. 2942(c)) is amended—

(i) by striking out "he" and inserting in lieu thereof "the Director";

(ii) by striking out "him" and inserting in lieu thereof "the Director"; and

(iii) by striking out "his functions" and inserting in lieu thereof "the functions of the Director".

(C) Section 602(d) of the Act (42 U.S.C. 2942(d)) is amended—

(i) by striking out "his functions" and inserting in lieu thereof "the functions of the Director"; and

(ii) by striking out "his powers" and inserting in lieu thereof "the powers of the Director".

(D) Section 602(h) of the Act (42 U.S.C. 2942(h)) is amended by striking out "he" and inserting in lieu thereof "the Director".

(E) Section 602(i) of the Act (42 U.S.C. 2942(i)) is amended by striking out "he" and inserting in lieu thereof "the Director".

(F) Section 602(k) of the Act (42 U.S.C. 2942(k)) is amended by striking out "him" each place it appears therein and inserting in lieu thereof "the Director".

(G) Section 602(l) of the Act (42 U.S.C. 2942(l)) is amended by striking out "him" each place it appears therein and inserting in lieu thereof "the Director".

(H)(i) Section 602(m)(2) of the Act (42 U.S.C. 2942(m)(2)) is amended by striking out "him" and inserting in lieu thereof "the Director".

(ii) Section 602(m)(2)(B) of the Act (42 U.S.C. 2942(m)(2)(B)) is amended by striking out "his intention" and inserting in lieu thereof "the intention of the Director".

(I) Section 602(n) of the Act (42 U.S.C. 2942(n)) is amended by striking out "he" and inserting in lieu thereof "the Director".

(27) Section 603(c) of the Act (42 U.S.C. 2943(c)) is amended by striking out "in his" and inserting in lieu thereof "while acting in an".

(28) Section 606(c) of the Act (42 U.S.C. 2946(c)) is amended by striking out "he" and inserting in lieu thereof "the Comptroller General".

42 USC 2950. (29) Section 609 of the Act, as so redesignated in section 13(e), is amended by striking out "his responsibilities" and inserting in lieu thereof "the responsibilities of the Director".

42 USC 2951 (30) Section 610(b) of the Act, as so redesignated in section 13(e), is amended—

(A) by striking out "he" and inserting in lieu thereof "such person"; and

(B) by striking out "his immediately preceding employment" and inserting in lieu thereof "the immediately preceding employment of such person".

(31) Section 611 of the Act (42 U.S.C. 2961) is amended—

(A) by striking out "his poverty" and inserting in lieu thereof "the poverty of such person";

(B) by striking out "his lack of income" and inserting in lieu thereof "the lack of income of such person";

(C) by striking out "his refusal" and inserting in lieu thereof "the refusal of such person"; and

(D) by striking out "his health, age, education, and ability" and inserting in lieu thereof "the health, age, education, and ability of such person".

42 USC 2971g. (32) Section 627 of the Act, as so redesignated in section 13(i), is amended—

(A) by striking out "or his delegate" each place it appears therein; and

(B) by striking out "him" and inserting in lieu thereof "the Director".

(33)(A) Section 631(a) of the Act (42 U.S.C. 2973(a)) is amended by striking out "his stead in the event of his unavoidable absence" and inserting in lieu thereof "place of such member in the event of the unavoidable absence of such member".

(B) Section 631(c) of the Act (42 U.S.C. 2973(c)) is amended—

(i) by striking out "him" and inserting in lieu thereof "the Executive Secretary"; and

(ii) by striking out "his duties" and inserting in lieu thereof "the duties of the Executive Secretary".

(34)(A) That portion of section 632 of the Act (42 U.S.C. 2974) which precedes paragraph (1) is amended by striking out "his other powers" and inserting in lieu thereof "the other powers of the Director".

(B) Section 632(1) of the Act (42 U.S.C. 2974(1)) is amended by striking out "his own initiative" and inserting in lieu thereof "the initiative of the Director".

(35) Section 635(b) of the Act (42 U.S.C. 2977(b)) is amended by striking out "He" and inserting in lieu thereof "The Director".

(36) That portion of section 713(a) of the Act (42 U.S.C. 2982b(a)) which precedes paragraph (1) is amended by striking out "he" each place it appears therein and inserting in lieu thereof "the Director".

(37)(A) Section 731(b) of the Act (42 U.S.C. 2984(b)) is amended by striking out "him" and inserting in lieu thereof "the Director", and by striking out "he" and inserting in lieu thereof "the Director".

(B) Section 731(c)(3) of the Act (42 U.S.C. 2984(c)(3)) is amended by striking out "he" and inserting in lieu thereof "the Director".

(39)(A) Section 803(b) of the Act (42 U.S.C. 2991b(b)) is amended by striking out "he" and inserting in lieu thereof "the Secretary".

(B) Section 803(c) of the Act (42 U.S.C. 2991b(c)) is amended by striking out "he" and inserting in lieu thereof "the Secretary".

(40)(A) Section 807(b) of the Act (42 U.S.C. 2991f(b)) is amended by striking out "his decision" and inserting in lieu thereof "the decision of the Secretary".

(B) Section 807(c) of the Act (42 U.S.C. 2991f(c)) is amended by striking out "his decision" and inserting in lieu thereof "the decision of the Secretary".

(41) Section 812(a) of the Act (42 U.S.C. 2992b(a)) is amended—

(A) by striking out "his functions, powers, and duties" and inserting in lieu thereof "the functions, powers, and duties of the Secretary"; and

(B) by striking out "he" and inserting in lieu thereof "the Secretary".

(42)(A) Section 901(a)(2) of the Act (42 U.S.C. 2995(a)(2)) is amended by striking out "his responsibilities" and inserting in lieu thereof "the responsibilities of the Director".

(B) Section 901(a)(3) of the Act (42 U.S.C. 2995(a)(3)) is amended by striking out "he" and inserting in lieu thereof "the Director".

(43) Section 902(a) of the Act (42 U.S.C. 2995a(a)) is amended by striking out "him" and inserting in lieu thereof "the Director".

(b) The second sentence of section 225(c) of the Act (42 U.S.C. 2812(c)) is amended by striking out "title, non-Federal" and inserting in lieu thereof "title. Non-Federal".

Approved November 2, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-1151 (Comm. on Education and Labor) and No. 95-1766 (Comm. of Conference).

SENATE REPORT No. 95-892 accompanying S. 2090 (Comm. on Human Resources).

CONGRESSIONAL RECORD, Vol. 124 (1978):

July 24, 26, considered and passed House.

Aug. 1, 2, S. 2090 considered and passed Senate; proceedings vacated, and H.R. 7577, amended, passed in lieu.

Oct. 15, House and Senate agreed to conference report.

Public Law 95-569
95th Congress

An Act

Nov. 2, 1978
[S. 1029]

To authorize the Smithsonian Institution to construct support museum facilities.

Smithsonian Institution. Construction of support museum facilities. 20 USC 50 note.

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That (a) the first section of the Act entitled "An Act to authorize the Smithsonian Institution to plan museum support facilities", approved September 19, 1975 (Public Law 94-98), is amended by inserting ", and to construct," after "to prepare plans for".

(b) The first section of such Act is further amended by adding at the end thereof the following new sentence: "No appropriation shall be made to construct the facilities authorized by this Act until the Committee on Public Works and Transportation of the House of Representatives and the Committee on Rules and Administration of the Senate, by resolution approve the final plans and specifications of such facilities.".

(c) Effective October 1, 1979, section 3 of such Act is amended to read as follows:

Appropriation authorization. Transfers to GSA.

"SEC. 3. There is authorized to be appropriated to the Smithsonian Institution $21,500,000 to carry out the purposes of this Act. Any portion of the sums appropriated for such purposes may be transferred to the General Services Administration which, in consultation with the Smithsonian Institution, is authorized to enter into contracts and take such other action, to the extent of the sums so transferred to it, as may be necessary to carry out such purposes.".

Approved November 2, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1559 (Comm. on Public Works and Transportation).
SENATE REPORT No. 95-783 (Comm. on Rules and Administration).
CONGRESSIONAL RECORD, Vol. 124 (1978):
May 9, considered and passed Senate.
Sept. 25, considered and passed House, amended.
Oct. 2, Senate concurred in House amendments with an amendment.
Oct. 14, House concurred in Senate amendment.

Public Law 95-570
95th Congress

An Act

To clarify the authority for employment of personnel in the White House Office and the Executive Residence at the White House, to clarify the authority for employment of personnel by the President to meet unanticipated needs, and for other purposes.

Nov. 2, 1978
[H.R. 11003]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) sections 105 and 106 of title 3, United States Code, are amended to read as follows:

White House Office and Executive Residence. Personnel employment, authority clarification.

"ASSISTANCE AND SERVICES FOR THE PRESIDENT

"SEC. 105. (a)(1) Subject to the provisons of paragraph (2) of this subsection, the President is authorized to appoint and fix the pay of employees in the White House Office without regard to any other provision of law regulating the employment or compensation of persons in the Government service. Employees so appointed shall perform such official duties as the President may prescribe.

Appointment.

"(2) The President may, under paragraph (1) of this subsection, appoint and fix the pay of not more than—

"(A) 25 employees at rates not to exceed the rate of basic pay then currently paid for level II of the Executive Schedule of section 5313 of title 5; and in addition

"(B) 25 employees at rates not to exceed the rate of basic pay then currently paid for level III of the Executive Schedule of section 5314 of title 5; and in addition

"(C) 50 employees at rates not to exceed the maximum rate of basic pay then currently paid for GS-18 of the General Schedule of section 5332 of title 5; and in addition

5 USC 5332 note.

"(D) such number of other employees as he may determine to be appropriate at rates not to exceed the minimum rate of basic pay then currently paid for GS-16 of the General Schedule of section 5332 of title 5.

"(b)(1) Subject to the provisions of paragraph (2) of this subsection, the President is authorized to appoint and fix the pay of employees in the Executive Residence at the White House without regard to any other provision of law regulating the employment or compensation of persons in the Government service. Employees so appointed shall perform such official duties as the President may prescribe.

Appointment.

"(2) The President may, under paragraph (1) of this subsection, appoint and fix the pay of not more than—

"(A) 3 employees at rates not to exceed the maximum rate of basic pay then currently paid for GS-18 of the General Schedule of section 5332 of title 5; and in addition

"(B) such number of other employees as he may determine to be appropriate at rates not to exceed the minimum rate of basic pay then currently paid for GS-16 of the General Schedule of section 5332 of title 5.

"(c) The President is authorized to procure for the White House Office and the Executive Residence at the White House, as provided in appropriation Acts, temporary or intermittent services of experts

Experts and consultants, temporary or intermittent services.

and consultants, as described in and in accordance with the first two sentences of section 3109(b) of title 5—

"(1) in the case of the White House Office, at respective daily rates of pay for individuals which are not more than the daily equivalent of the rate of basic pay then currently paid for level II of the Executive Schedule of section 5313 of title 5; and

"(2) in the case of the Executive Residence, at respective daily rates of pay for individuals which are not more than the daily equivalent of the maximum rate of basic pay then currently paid for GS-18 of the General Schedule of section 5332 of title 5.

5 USC 5332 note.

Notwithstanding such section 3109(b), temporary services of any expert or consultant described in such section 3109(b) may be procured for a period in excess of one year if the President determines such procurement is necessary.

Appropriation authorization.

"(d) There are authorized to be appropriated each fiscal year to the President such sums as may be necessary for—

"(1) the care, maintenance, repair, alteration, refurnishing, improvement, air-conditioning, heating, and lighting (including electric power and fixtures) of the Executive Residence at the White House;

"(2) the official expenses of the White House Office;

"(3) the official entertainment expenses of the President;

"(4) the official entertainment expenses for allocation within the Executive Office of the President; and

"(5) the subsistence expenses of persons in the Government service while traveling on official business in connection with the travel of the President.

Sums appropriated under this subsection for expenses described in paragraphs (1), (3), and (5) may be expended as the President may determine, notwithstanding the provisions of any other law. Such sums shall be accounted for solely on the certificate of the President, except that, with respect to such expenses, the Comptroller General may inspect all necessary books, documents, papers, and records relating to any such expenditures solely for the purpose of verifying that all such expenditures related to expenses in paragraph (1), (3), or (5). The Comptroller General shall certify to Congress the fact of such verification, and shall report any such expenses not expended for such purpose.

Certification and report to Congress.

"(e) Assistance and services authorized pursuant to this section to the President are authorized to be provided to the spouse of the President in connection with assistance provided by such spouse to the President in the discharge of the President's duties and responsibilities. If the President does not have a spouse, such assistance and services may be provided for such purposes to a member of the President's family whom the President designates.

"ASSISTANCE AND SERVICES FOR THE VICE PRESIDENT

"SEC. 106. (a) In order to enable the Vice President to provide assistance to the President in connection with the performance of functions specially assigned to the Vice President by the President in the discharge of executive duties and responsibilities, the Vice President is authorized—

Appointment.

"(1) without regard to any other provision of law regulating the employment or compensation of persons in the Government service, to appoint and fix the pay of not more than—

"(A) 5 employees at rates not to exceed the rate of basic pay then currently paid for level II of the Executive Schedule of section 5313 of title 5; and in addition

"(B) 3 employees at rates not to exceed the rate of basic pay then currently paid for level III of the Executive Schedule of section 5314 of title 5; and in addition

"(C) 3 employees at rates not to exceed the maximum rate of basic pay then currently paid for GS-18 of the General Schedule of section 5332 of title 5; and in addition

5 USC 5332 note.

"(D) such number of other employees as he may determine to be appropriate at rates not to exceed the minimum rate of basic pay then currently paid for GS-16 of the General Schedule of section 5332 of title 5; and

Experts and consultants.

"(2) to procure, as provided in appropriation Acts, temporary or intermittent services of experts and consultants, as described in and in accordance with the first two sentences of section 3109(b) of title 5, at respective daily rates of pay for individuals which are not more than the daily equivalent of the rate of basic pay then currently paid for level II of the Executive Schedule of section 5313 of title 5.

Notwithstanding such section 3109(b), temporary services of any expert or consultant described in such section 3109(b) may be procured under paragraph (2) of this subsection for a period in excess of one year if the Vice President determines such procurement is necessary.

Appropriation authorization.

"(b) In order to carry out the executive duties and responsibilities referred to in subsection (a), there are authorized to be appropriated each fiscal year to the Vice President such sums as may be necessary for—

"(1) the official expenses of the Office of the Vice President;

"(2) the official entertainment expenses of the Vice President; and

"(3) the subsistence expenses of persons in the Government service while traveling on official business in connection with the travel of the Vice President.

Sums appropriated under this subsection for expenses described in paragraphs (2) and (3) may be expended as the Vice President may determine, notwithstanding the provisions of any other law. Such sums shall be accounted for solely on the certificate of the Vice President, except that, with respect to such expenses, the Comptroller General may inspect all necessary books, documents, papers, and records relating to any such expenditures solely for the purpose of verifying that all such expenditures related to expenses in paragraph (2) or (3). The Comptroller General shall certify to Congress the fact of such verification, and shall report any such expenses not expended for such purpose.

Certification and report to Congress.

"(c) Assistance and services authorized pursuant to this section to the Vice President are authorized to be provided to the spouse of the Vice President in connection with assistance provided by such spouse to the Vice President in the discharge of the Vice President's executive duties and responsibilities. If the Vice President does not have a spouse, such assistance and services may be provided for such purposes to a member of the Vice President's family whom the Vice President designates.".

(b) The items relating to sections 105 and 106 in the table of sections at the beginning of chapter 2 of title 3, United States Code, are amended to read as follows:

3 USC 101.

"105. Assistance and services for the President.
"106. Assistance and services for the Vice President.".

3 USC 101.

SEC. 2. (a) Chapter 2 of title 3, United States Code, is amended by striking out section 107 and inserting in lieu thereof the following new sections:

"DOMESTIC POLICY STAFF AND OFFICE OF ADMINISTRATION; PERSONNEL

"SEC. 107. (a) In order to enable the Domestic Policy Staff to perform its functions, the President (or his designee) is authorized—

Appointment.

"(1) without regard to any other provision of law regulating the employment or compensation of persons in the Government service, to appoint and fix the pay of not more than—

"(A) 6 employees at rates not to exceed the rate of basic pay then currently paid for level III of the Executive Schedule of section 5314 of title 5; and in addition

"(B) 18 employees at rates not to exceed the maximum rate of basic pay then currently paid for GS–18 of the General Schedule of section 5332 of title 5; and in addition

5 USC 5332 note.

"(C) such number of other employees as he may determine to be appropriate at rates not to exceed the minimum rate of basic pay then currently paid for GS–16 of the General Schedule of section 5332 of title 5; and

Experts and consultants, temporary or intermittent services.

"(2) to procure, as provided in appropriation Acts, temporary or intermittent services of experts and consultants, as described in and in accordance with the first two sentences of section 3109 (b) of title 5, at respective daily rates of pay for individuals which are not more than the daily equivalent of the rate of basic pay then currently paid for level III of the Executive Schedule of section 5314 of title 5.

"(b)(1) In order to enable the Office of Administration to perform its functions, the President (or his designee) is authorized—

Appointment.

"(A) without regard to such other provisions of law as the President may specify which regulate the employment and compensation of persons in the Government service, to appoint and fix the pay of not more than—

"(i) 5 employees at rates not to exceed the rate of basic pay then currently paid for level III of the Executive Schedule of section 5314 of title 5; and in addition

"(ii) 5 employees at rates not to exceed the maximum rate of basic pay then currently paid for GS–18 of the General Schedule of section 5332 of title 5; and

Experts and consultants, temporary or intermittent services.

"(B) to procure, as provided in appropriation Acts, temporary or intermittent services of experts and consultants, as described in and in accordance with the first two sentences of section 3109(b) of title 5, at respective daily rates of pay for individuals which are not more than the daily equivalent of the maximum rate of basic pay then currently paid for GS–18 of the General Schedule of section 5332 of title 5.

"(2) In addition to any authority granted under paragraph (1) of this subsection, the President (or his designee) is authorized to employ individuals in the Office of Administration in accordance with section 3101 of title 5 and provisions relating thereto. Any individual so employed under the authority granted under such section 3101 shall be subject to the limitation specified in section 114 of this title.

"(c) There are authorized to be appropriated each fiscal year such sums as may be necessary for the official expenses of the Domestic Policy Staff and the Office of Administration. Appropriation authorization.

"ASSISTANCE TO THE PRESIDENT FOR UNANTICIPATED NEEDS

"SEC. 108. (a) There is authorized to be appropriated to the President an amount not to exceed $1,000,000 each fiscal year to enable the President, in his discretion, to meet unanticipated needs for the furtherance of the national interest, security, or defense, including personnel needs and needs for services described in section 3109(b) of title 5, and administrative expenses related thereto, without regard to any provision of law regulating the employment or compensation of persons in the Government service or regulating expenditures of Government funds. Appropriation authorization. 3 USC 108.

"(b) The President shall transmit a report to each House of the Congress for each fiscal year beginning on or after the effective date of this subsection which sets forth the purposes for which expenditures were made under this section for such fiscal year and the amount expended for each such purpose. Each such report shall be transmitted no later than 60 days after the close of the fiscal year covered by such report. Report, transmittal to Congress.

"(c) An individual may not be paid under the authority of this section at a rate of pay in excess of the rate of basic pay then currently paid for level II of the Executive Schedule of section 5313 of title 5.".

(b) The items relating to sections 107 and 108 in the table of sections at the beginning of chapter 2 of title 3, United States Code, are amended to read as follows: 3 USC 101.

"107. Domestic Policy Staff and Office of Administration; personnel.
"108. Assistance to the President for unanticipated needs.".

SEC. 3. (a) Chapter 2 of title 3, United States Code, is amended by adding at the end thereof the following new sections:

"DETAIL OF EMPLOYEES OF EXECUTIVE DEPARTMENTS

"SEC. 112. The head of any department, agency, or independent establishment of the executive branch of the Government may detail, from time to time, employees of such department, agency, or establishment to the White House Office, the Executive Residence at the White House, the Office of the Vice President, the Domestic Policy Staff, and the Office of Administration. Any such office to which an employee has been detailed for service to such office shall reimburse the detailing department, agency, or establishment for the pay of each employee thereof— 3 USC 112. Reimbursement.

"(1) who is so detailed, and

"(2) who is performing services which have been or would otherwise be performed by an employee of such office,

for any period occurring during any fiscal year after 180 calendar days after the employee is detailed in such year.

"PERSONNEL REPORT

"SEC. 113. (a) The President shall transmit to each House of the Congress, and make available to the public, reports containing information described in subsection (b) for each fiscal year beginning on Report, transmittal to Congress. 3 USC 113.

or after the effective date of this section. Each such report shall be transmitted no later than 60 days after the close of the fiscal year covered by such report and shall contain a statement of such information for such year.

Contents.

"(b) Each report required under subsection (a) shall contain—

"(1) the number of employees who are paid at a rate of basic pay equal to or greater than the rate of basic pay then currently paid for level V of the Executive Schedule of section 5316 of title 5 and who are employed in the White House Office, the Executive Residence at the White House, the Office of the Vice President, the Domestic Policy Staff, or the Office of Administration, and the aggregate amount paid to such employees;

"(2) the number of employees employed in such offices who are paid at a rate of basic pay which is equal to or greater than the minimum rate of basic pay then currently paid for GS–16 of the General Schedule of section 5332 of title 5 but which is less than the rate then currently paid for level V of the Executive Schedule of section 5316 of title V and the aggregate amount paid to such employees;

5 USC 5332 note.

"(3) the number of employees employed in such offices who are paid at a rate of basic pay which is less than the minimum rate then currently paid for GS–16 of the General Schedule of section 5332 of title V, and the aggregate amount paid to such employees;

"(4) the number of individuals detailed under section 112 of this title for more than 30 days to each such office, the number of days in excess of 30 each individual was detailed, and the aggregate amount of reimbursement made as provided by the provisions of section 112 of this title; and

"(5) the number of individuals whose services as experts or consultants are procured under this chapter for service in any such office, the total number of days employed, and the aggregate amount paid to procure such services.

The information required under this subsection to be in any report shall be shown both in the aggregate and by office involved.

"GENERAL PAY LIMITATION

3 USC 114.

"Sec. 114. Notwithstanding any provision of law, other than the provisions of this chapter, no employee of the White House Office, the Executive Residence at the White House, the Domestic Policy Staff, or the Office of Administration, nor any employee under the Vice President appointed under section 106 of this title, may be paid at a rate of basic pay in excess of the minimum rate of basic pay then currently paid for GS–16 of the General Schedule of section 5332 of title 5.".

5 USC 5332 note.

3 USC 101.

(b) The table of sections for chapter 2 of title 3, United States Code, is amended by adding at the end thereof the following new items:

"112. Detail of employees of executive departments.
"113. Personnel report.
"114. General pay limitation.".

Sec. 4. Section 103 of title 3, United States Code, relating to travel expenses of the President, is amended by striking out "$40,000" and inserting in lieu thereof "$100,000".

Sec. 5. (a) Section 102 of title 3, United States Code, is amended by striking out "Executive Mansion" and inserting in lieu thereof "Executive Residence at the White House".

(b) (1) Section 109 of title 3, United States Code, is amended—

(A) by striking out from the section caption "EXECUTIVE MANSION" and inserting in lieu thereof "THE EXECUTIVE RESIDENCE AT THE WHITE HOUSE", and

(B) by striking out from the text "Executive Mansion" each place it appears and inserting in lieu thereof "Executive Residence at the White House".

(2) The item relating to section 109 in the table of sections for chapter 2 of such title 3 is amended by striking out "Executive Mansion" and inserting in lieu thereof "the Executive Residence at the White House".

(c) (1) Section 110 of title 3, United States Code, is amended—

(A) by inserting in the section caption, immediately before "WHITE HOUSE" the following: "THE EXECUTIVE RESIDENCE AT THE";

(B) by striking out "President's House" and inserting in lieu thereof the following: "Executive Residence at the White House"; and

(C) by striking out "White House" each place it appears and inserting in lieu thereof "Executive Residence at the White House".

(2) The item relating to section 110 in the table of sections for chapter 2 of such title is amended by inserting immediately before "White House" the following: "the Executive Residence at the".

(d) Section 202 of such title is amended by striking out "Executive Mansion and grounds" and inserting in lieu thereof "White House". 3 USC 202.

SEC. 6. (a) The amendments made by this Act shall apply to any fiscal year which begins on or after October 1, 1978. 3 USC 102 note.

(b) In the case of an individual— 3 USC 107 note.

(1) who is an employee of the Office of Administration as of the date of the enactment of this Act, and

(2) whose position would be terminated or whose rate of basic pay would be reduced (but for this subsection) by reason of section 107(b) of title 3, United States Code (as amended by this Act),

such employee may be allowed to continue to hold such position and receive basic pay at the rate in effect on the effective date of this Act during the period which begins on such date and ends 2 years after such date so long as such employee continues as an employee of the Office of Administration.

Approved November 2, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-979 (Comm. on Post Office and Civil Service) and No. 95-1639 (Comm. of Conference).

SENATE REPORTS: No. 95-868 (Comm. on Governmental Affairs) and No. 95-1258 (Comm. of Conference).

CONGRESSIONAL RECORD, Vol. 124 (1978):

Apr. 4, considered in House and failed of passage.

Apr. 13, considered and passed House.

July 13, 14, considered and passed Senate, amended.

Oct. 7, Senate agreed to conference report.

Oct. 15, House agreed to conference report.

Public Law 95-571
95th Congress

An Act

Nov. 2, 1978
[H.R. 14224]

To authorize and direct the Secretary of the Interior to acquire certain lands for the benefit of the Mille Lacs Band of the Minnesota Chippewa Indians.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Minnesota Chippewa Indians, Mille Lacs Band. Land acquisition.

SECTION 1. (a) The Secretary of the Interior is authorized, if he finds legal title to such lands to be in private ownership, to acquire by purchase the following described lands: Government lot 4, section 28, township 43 north, range 27 west, fourth principal meridian, Mille Lacs County, Minnesota.

(b) Lands acquired by the Secretary pursuant to subsection (a) shall be held by the United States in trust for, and for the benefit and use of, the Mille Lacs Band of the Minnesota Chippewa Indians.

Appropriation authorization.

SEC. 2. There is authorized to be appropriated such sum as may be necessary to carry out the purposes of this Act. The purchase price of said lands shall be an amount equal to their fair market value.

Approved November 2, 1978.

LEGISLATIVE HISTORY:

CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 14, considered and passed House.
Oct. 15, considered and passed Senate.

Public Law 95-572
95th Congress

An Act

To amend the Jury Selection and Service Act of 1968, as amended, by revising the section on fees of jurors and by providing for a civil penalty and injunctive relief in the event of a discharge or threatened discharge of an employee by reason of such employee's Federal jury service.

Nov. 2, 1978
[S. 2075]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Jury System Improvements Act of 1978.

SHORT TITLE

SECTION 1. This Act may be cited as the "Jury System Improvements Act of 1978".

28 USC 1861 note.

EXCUSE FROM JURY SERVICE

SEC. 2. (a) Section 1863(b) of title 28, United States Code, is amended—

(1) by striking out paragraph (7); and

(2) by redesignating paragraphs (8) and (9), and all references thereto, as paragraphs (7) and (8), respectively.

(b) Section 1866(c) of title 28, United States Code, is amended by striking out "paragraph (5), (6), or (7)" and inserting in lieu thereof "paragraph (5) or (6)".

JURY SERVICE UPON RESTORATION OF CIVIL RIGHTS

SEC. 3. (a) Section 1865(b)(5) of title 28, United States Code, is amended by striking out "by pardon or amnesty".

(b) Section 1869(h) of title 28, United States Code, is amended by striking out "by pardon or amnesty.".

DEFINITIONS

SEC. 4. Section 1869 of title 28, United States Code, is amended—

(1) by striking out the period at the end of subsection (i) and inserting in lieu thereof a semicolon; and

(2) by adding at the end thereof the following new subsections:

"(j) 'undue hardship or extreme inconvenience', as a basis for excuse from immediate jury service under section 1866(c)(1) of this chapter, shall mean great distance, either in miles or traveltime, from the place of holding court, grave illness in the family or any other emergency which outweighs in immediacy and urgency the obligation to serve as a juror when summoned, or any other factor which the court determines to constitute an undue hardship or to create an extreme inconvenience to the juror; and in addition, in situations where it is anticipated that a trial or grand jury proceeding may require more than thirty days of service, the court may consider, as a further basis for temporary excuse, severe economic hardship to an employer which would result from the absence of a key employee during the period of such service;

"(k) 'publicly draw', as referred to in sections 1864 and 1866 of this chapter, shall mean a drawing which is conducted within

the district after reasonable public notice and which is open to the public at large under the supervision of the clerk or jury commission, except that when a drawing is made by means of electronic data processing, 'publicly draw' shall mean a drawing which is conducted at a data processing center located in or out of the district, after reasonable public notice given in the district for which juror names are being drawn, and which is open to the public at large under such supervision of the clerk or jury commission as the Judicial Conference of the United States shall by regulation require; and

"(l) 'jury summons' shall mean a summons issued by a clerk of court, jury commission, or their duly designated deputies, containing either a preprinted or stamped seal of court, and containing the name of the issuing clerk imprinted in preprinted, type, or facsimile manner on the summons or the envelopes transmitting the summons.".

FEES OF JURORS

SEC. 5. Section 1871 of title 28, United States Code, is amended to read as follows:

"§ 1871. Fees

"(a) Grand and petit jurors in district courts appearing pursuant to this chapter shall be paid the fees and allowances provided by this section. The requisite fees and allowances shall be disbursed on the certificate of the clerk of court in accordance with the procedure established by the Director of the Administrative Office of the United States Courts. Attendance fees for extended service under subsection (b) of this section shall be certified by the clerk only upon the order of a district judge.

"(b)(1) A juror shall be paid an attendance fee of $30 per day for actual attendance at the place of trial or hearing. A juror shall also be paid the attendance fee for the time necessarily occupied in going to and returning from such place at the beginning and end of such service or at any time during such service.

"(2) A petit juror required to attend more than thirty days in hearing one case may be paid, in the discretion of the trial judge, an additional fee, not exceeding $5 more than the attendance fee, for each day in excess of thirty days on which he is required to hear such case.

"(3) A grand juror required to attend more than forty-five days of actual service may be paid, in the discretion of the district judge in charge of the particular grand jury, an additional fee, not exceeding $5 more than the attendance fee, for each day in excess of forty-five days of actual service.

"(4) A grand or petit juror required to attend more than ten days of actual service may be paid, in the discretion of the judge, the appropriate fees at the end of the first ten days and at the end of every ten days of service thereafter.

Certification.

"(5) Certification of additional attendance fees may be ordered by the judge to be made effective commencing on the first day of extended service, without reference to the date of such certification.

Travel allowance.

"(c)(1) A travel allowance not to exceed the maximum rate per mile that the Director of the Administrative Office of the United States Courts has prescribed pursuant to section 604(a)(7) of this title for payment to supporting court personnel in travel status using privately owned automobiles shall be paid to each juror, regardless of the mode of transportation actually employed. The prescribed

rate shall be paid for the distance necessarily traveled to and from a juror's residence by the shortest practical route in going to and returning from the place of service. Actual mileage in full at the prescribed rate is payable at the beginning and at the end of a juror's term of service.

"(2) The Director shall promulgate rules regulating interim travel allowances to jurors. Distances traveled to and from court should coincide with the shortest practical route. Rules and regulations.

"(3) Toll charges for toll roads, bridges, tunnels, and ferries shall be paid in full to the juror incurring such charges. In the discretion of the court, reasonable parking fees may be paid to the juror incurring such fees upon presentation of a valid parking receipt. Parking fees shall not be included in any tabulation of mileage cost allowances. Toll charges.

"(4) Any juror who travels to district court pursuant to summons in an area outside of the contiguous forty-eight States of the United States shall be paid the travel expenses provided under this section, or actual reasonable transportation expenses subject to the discretion of the district judge or clerk of court as circumstances indicate, exercising due regard for the mode of transportation, the availability of alternative modes, and the shortest practical route between residence and court. Travel expenses.

"(d)(1) A subsistence allowance covering meals and lodging of jurors shall be established from time to time by the Director of the Administrative Office of the United States Courts pursuant to section 604(a)(7) of this title, except that such allowance shall not exceed the allowance for supporting court personnel in travel status in the same geographical area. Claims for such allowance shall not require itemization. Subsistence allowance.

"(2) A subsistence allowance shall be paid to a juror when an overnight stay is required at the place of holding court, and for the time necessarily spent in traveling to and from the place of attendance if an overnight stay is required.

"(3) A subsistence allowance for jurors serving in district courts outside of the contiguous forty-eight States of the United States shall be allowed at a rate not to exceed that per diem allowance which is paid to supporting court personnel in travel status in those areas where the Director of the Administrative Office of the United States Courts has prescribed an increased per diem fee pursuant to section 604(a)(7) of this title.

"(e) During any period in which a jury is ordered to be kept together and not to separate, the actual cost of subsistence shall be paid upon the order of the court in lieu of the subsistence allowances payable under subsection (d) of this section. Such allowance for the jurors ordered to be kept separate or sequestered shall include the cost of meals, lodging, and other expenditures ordered in the discretion of the court for their convenience and comfort.

"(f) A juror who must necessarily use public transportation in traveling to and from court, the full cost of which is not met by the transportation expenses allowable under subsection (c) of this section on account of the short distance traveled in miles, may be paid, in the discretion of the court, the actual reasonable expense of such public transportation, pursuant to the methods of payment provided by this section. Jurors who are required to remain at the court beyond the normal business closing hour for deliberation or for any other reason may be transported to their homes, or to temporary lodgings

where such lodgings are ordered by the court, in a manner directed by the clerk and paid from funds authorized under this section.

Regulations.

"(g) The Director of the Administrative Office of the United States Courts shall promulgate such regulations as may be necessary to carry out his authority under this section.".

PROTECTION OF JURORS' EMPLOYMENT

SEC. 6. (a)(1) Chapter 121 of title 28, United States Code, is amended by adding at the end thereof the following new section:

28 USC 1875.

"§ 1875. Protection of jurors' employment

"(a) No employer shall discharge, threaten to discharge, intimidate, or coerce any permanent employee by reason of such employee's jury service, or the attendance or scheduled attendance in connection with such service, in any court of the United States.

"(b) Any employer who violates the provisions of this section—

"(1) shall be liable for damages for any loss of wages or other benefits suffered by an employee by reason of such violation;

"(2) may be enjoined from further violations of this section and ordered to provide other appropriate relief, including but not limited to the reinstatement of any employee discharged by reason of his jury service; and

Penalty.

"(3) shall be subject to a civil penalty of not more than $1,000 for each violation as to each employee.

"(c) Any individual who is reinstated to a position of employment in accordance with the provisions of this section shall be considered as having been on furlough or leave of absence during his period of jury service, shall be reinstated to his position of employment without loss of seniority, and shall be entitled to participate in insurance or other benefits offered by the employer pursuant to established rules and practices relating to employees on furlough or leave of absence in effect with the employer at the time such individual entered upon jury service.

"(d) An individual claiming that his employer has violated the provisions of this section may make application to the district court for the district in which such employer maintains a place of business and the court shall, upon finding probable merit in such claim, appoint counsel to represent such individual in any action in the district court necessary to the resolution of such claim. Such counsel shall be compensated and necessary expenses repaid to the extent provided by section 3006A of title 18, United States Code.

"(2) In any action or proceeding under this section, the court may award a prevailing employee who brings such action by retained counsel a reasonable attorney's fee as part of the costs. The court may award a prevailing employer a reasonable attorney's fee as part of the costs if the court determines that the action is frivolous, vexatious, or brought in bad faith.".

(2) The chapter analysis of chapter 121 of title 28, United States Code, is amended by adding at the end thereof the following new item:

"1875. Protection of jurors' employment.".

(b)(1) Chapter 85 of title 28, United States Code, is amended by redesignating section 1363, and all references thereto, as section 1364, and by inserting immediately after section 1362 the following new section:

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"§ 1363. Jurors' employment rights

28 USC 1363.

"The district courts shall have original jurisdiction of any civil action brought for the protection of jurors' employment under section 1875 of this title.".

(2) The chapter analysis of chapter 85 of title 28, United States Code, is amended by striking out the item relating to section 1363 and inserting in lieu thereof the following:

"1363. Jurors' employment rights.
"1364. Construction of references to laws of the United States or Acts of Congress.".

EFFECTIVE DATE

SEC. 7. (a) Except as provided in subsection (b) of this section, the amendments made by this Act shall apply with respect to any grand or petit juror summoned for service or actually serving on or after the date of enactment of this Act.

28 USC 1363 note.

(b) The amendment made by section 5 of this Act shall apply with respect to any grand or petit juror serving on or after the sixtieth day following the date of enactment of this Act.

Approved November 2, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1652 (Comm. on the Judiciary).
SENATE REPORT No. 95-757 (Comm. on the Judiciary).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Apr. 27, considered and passed Senate.
Oct. 12, considered and passed House, amended.
Oct. 13, Senate concurred in House amendment.

Public Law 95-573
95th Congress

An Act

Nov. 2, 1978
[H.R. 14145]

To amend title 28 of the United States Code to make certain changes in the divisions within judicial districts and in the places of holding court, and to require the Director of the Administrative Office of the United States Courts to conduct a study of the judicial business of the Central District of California and the Eastern District of New York.

District courts.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 93 of title 28, United States Code, is amended—

(1) in paragraph (1) of subsection (a), by striking out "Kankakee,", and

(2) in subsection (b), by inserting "Kankakee," immediately after "Iroquois,".

SEC. 2. Section 99 of title 28 of the United States Code is amended to read as follows:

"§ 99. Maine

"Maine constitutes one judicial district.

"Court shall be held at Bangor and Portland.".

SEC. 3. The last sentence of section 112(b) of title 28, United States Code, is amended to read as follows:

"Court for the Southern District shall be held at New York and White Plains.".

SEC. 4. The last sentence of section 118(c) of title 28, United States Code, is amended to read as follows:

"Court for the Western District shall be held at Erie, Johnstown, and Pittsburgh.".

Comprehensive study, recommendations to Congress.
28 USC 84 note.

SEC. 5. Within one year after the date of enactment of this Act, the Director of the Administrative Office of the United States Courts shall conduct a comprehensive study of the judicial business of the Central District of California and the Eastern District of New York, and shall make recommendations to the Congress with respect to the need for creation of new judicial districts from portions of the judicial districts referred to in this section or the immediately surrounding judicial districts.

Effective dates.
28 USC 93 note.

SEC. 6. (a) Except as provided in subsection (b) of this section, the provisions of this Act shall take effect 180 days after the date of enactment of this Act.

(b) The provisions of section 5 of this Act shall take effect on the date of enactment of this Act.

(c) Nothing in this Act shall affect the composition or preclude the service of any grand or petit juror summoned, empaneled, or actually serving in any judicial district on the effective date of this Act.

Approved November 2, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1763 (Comm. on the Judiciary).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 12, considered and passed House.
Oct. 15, considered and passed Senate.

Public Law 95-574
95th Congress

An Act

To amend the Federal Railroad Safety Act of 1970 to authorize additional appropriations, and for other purposes.

Nov. 2, 1978
[S. 3081]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Federal Railroad Safety Authorization Act of 1978.

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Railroad Safety Authorization Act of 1978". 45 USC 421 note.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 2. Section 212 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 441) is amended to read as follows:

"SEC. 212. AUTHORIZATION FOR APPROPRIATIONS.

"(a) There are authorized to be appropriated to carry out the provisions of this Act not to exceed $37,725,000 for the fiscal year ending September 30, 1979, and not to exceed $37,725,000 for the fiscal year ending September 30, 1980.

"(b) The amounts appropriated under subsection (a) of this section for a fiscal year shall be available for expenditure in such fiscal year as follows:

"(1) For the Office of Safety, including salaries and expenses for not more than (A) 600 safety inspectors, (B) 45 signal and train control inspectors, and (C) 125 clerical personnel, not to exceed $20,725,000. Such funds shall be available for travel expenses of safety inspectors for not less than 20 days per month.

"(2) To carry out the provisions of section 206(d) of this Act, relating to State safety programs, not to exceed $3,500,000. 45 USC 435.

"(3) For the Federal Railroad Administration, for salaries and expenses not otherwise provided for, not to exceed $3,500,000.

"(4) For conducting safety research and development activities under this Act, not to exceed $10,000,000. Sums appropriated under this section for research and development, automated track inspection, and the State safety grant program are authorized to remain available until expended.".

LIMITATIONS ON FUNDING

SEC. 3. Not less than 50 percent of the funds appropriated to the Secretary of Transportation for any fiscal year to conduct railroad research and development programs under the Federal Railroad Safety Act of 1970 or any other Act shall be available for safety research, improved track inspection and data acquisition technology, improved rail freight service, and improved rail passenger systems. 45 USC 442. 45 USC 421 note.

HOURS OF SERVICE OF SIGNAL SYSTEM EMPLOYEES

SEC. 4. (a) Section 3A(a) of the Hours of Service Act (45 U.S.C. 63a(a)) is amended by adding at the end thereof, without paragraph indention, the following:

"Whenever the time on duty of an individual is broken or interrupted by any period of time off duty of less than eight consecutive hours, such individual may be on duty for not more than twelve hours during a twenty-four-hour period, if such individual has had at least eight consecutive hours off duty immediately before reporting for duty, or, where required by paragraph (1) of this subsection, at least ten consecutive hours off duty immediately before so reporting. After an individual has been on duty for a total of twelve hours during a period of twenty-four hours as permitted by the foregoing sentence, or at the end of such twenty-four-hour period, whichever occurs first, such individual shall not be required or permitted to continue on duty or to go on duty until he has had at least eight consecutive hours off duty. For purposes of this subsection, a twenty-four-hour period shall begin when an individual reports for duty immediately after he has had at least eight consecutive hours off duty or, where required by paragraph (1) of this subsection, at least ten consecutive hours off duty.".

(b) Section 3A(c) of the Hours of Service Act (45 U.S.C. 63a(c)) is amended to read as follows:

"(c) For purposes of this section, time on duty shall commence when an individual reports for duty and terminate when an individual is finally released from duty, except that—

"(1) time spent in travel on return from a trouble call, whether directly to the individual's residence or by way of the individual's headquarters, shall be considered neither time on duty nor time off duty, except that up to sixty minutes of such time on return from the final trouble call of a period of continuous or broken service shall be considered time off duty;

"(2) if, at the expiration of scheduled duty hours, an individual has not completed the trip from the final outlying worksite of the duty period to the individual's headquarters or from the final outlying worksite directly to the individual's residence, then the time spent in travel outside the scheduled duty hours which is required to complete the trip to such headquarters or directly to such residence, as the case may be, shall be considered neither time on duty nor time off duty;

"(3) if an individual is released from duty at an outlying worksite prior to the end of such individual's scheduled duty hours in order to comply with this section, the period of time required for the trip from the outlying worksite to the individual's headquarters, or the period of time required for the trip from the outlying worksite direct to the individual's residence, as the case may be, shall be considered neither time on duty nor time off duty;

"(4) all time spent in transportation on an ontrack vehicle, including time referred to in paragraphs (1), (2), and (3) of this subsection, shall be considered time on duty; and

"(5)(A) regularly scheduled meal periods and other release periods of thirty minutes or more up to sixty minutes shall be considered time off duty but shall not break an individual's continuity of service for purposes of this section, and (B) release periods of more than one hour shall be considered time off duty and shall break an individual's continuity of service for purposes of this section.".

Effective date.
45 USC 63a note.

(c) The amendments made by this section shall be effective as of July 8, 1976, except that no action or conduct which occurred during the period beginning on such date and ending on the date of enactment of this Act and which was lawful under the Hours of Service Act as in effect on July 8, 1976, shall be deemed to be unlawful under such Act as amended by this Act.

HOURS OF SERVICE ACT; INTERSTATE COMMERCE REQUIREMENT

SEC. 5. Subsection (a) of the first section of the Hours of Service Act (45 U.S.C. 61(a)) is amended to read as follows: "(a) this Act shall apply to any common carrier engaged in interstate or foreign commerce by railroad.".

DESIGNATED TERMINAL

SEC. 6. Subsection (b) of the first section of the Hours of Service Act (45 U.S.C. 61(b)) is amended by adding at the end thereof the following new paragraph:

"(4) The term 'designated terminal' means the home terminal and the away from home terminal for the assignment of a particular crew. Time on duty shall not include interim rest periods of four or more hours between designated terminals where the employee is prevented from reaching his or her designated terminal by act of God, track obstruction, casualty, derailment or major disabling equipment failure, which derailment or disabling equipment failure was the result of a cause not known to the carrier or its officer or agent in charge of the employee at the time such employee left the designated terminal, and which could not have been foreseen, and only then at a place where suitable facilities for food and lodging are available.". "Designated terminal."

ASSESSMENT OF PENALTIES

SEC. 7. (a) Section 6 of the Act of March 2, 1893 (45 U.S.C. 6) is amended by inserting "assessed by the Secretary of Transportation and" immediately after "shall be liable to a penalty of not less than $250 and not more than $2,500 for each and every such violation, to be".

(b) Section 4 of the Act of April 14, 1910 (45 U.S.C. 13) is amended by inserting "assessed by the Secretary of Transportation and" immediately after "shall be liable to a penalty of not less than $250 and not more than $2,500 for each and every such violation, to be".

(c) Section 9 of the Act of February 17, 1911 (45 U.S.C. 34) is amended by inserting "assessed by the Secretary of Transportation and" immediately after "shall be liable to a penalty of not less than $250 and not more than $2,500 for each and every such violation, to be".

(d) Section 25(h) of part I of the Interstate Commerce Act (49 U.S.C. 26(h)), is amended by inserting "assessed by the Secretary of Transportation and" immediately after "shall be liable to a penalty of not less than $250 and not more than $2,500 for each and every day such violation, refusal, or neglect continues, to be".

NOTICE OF VIOLATIONS

SEC. 8. The first sentence of section 207 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 436) is amended to read as follows: "In any case in which the Secretary has failed to assess the civil penalty applicable under section 209 of this title, or no civil action has been commenced to obtain injunctive relief under section 210 of this title, with respect to a violation of any railroad safety rule, regulation, order, or standard issued under this title, within 90 days after the date on which notification was received by the Secretary from a State agency participating in investigative and surveillance activities under the provisions of section 206 of this title, that State agency may apply to the district court of the United States within the jurisdiction of which the violation occurred for the enforcement of such rule, regulation, order, or standard.". 45 USC 438. 45 USC 439. 45 USC 435.

ROLE OF DEPARTMENT OF TRANSPORTATION IN RAILROAD ACCIDENT INVESTIGATIONS; LIABILITY OF DEPARTMENT OF TRANSPORTATION'S AGENTS

SEC. 9. Section 208 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 437) is amended—

(1) by striking out subsection (b) and redesignating subsections (c) and (d) as subsections (b) and (c), respectively, and

(2) by amending subsection (b), as so redesignated to read as follows:

"(b) To carry out the Secretary's responsibilities under this title, officers, employees, or agents of the Secretary are authorized to enter upon, inspect, and examine rail facilities, equipment, rolling stock, operations, and pertinent records at reasonable times and in a reasonable manner. Such officers, employees, or agents shall display proper credentials when requested, and during the course of such inspection or examination shall be considered employees of the Federal Government for purposes of chapter 171 of title 28 of the United States Code.".

RAIL TRANSPORTATION SAFETY AND EFFICIENCY STUDY

45 USC 440 note.

SEC. 10. (a) The Secretary of Transportation shall conduct a study and evaluation concerning the safety and efficiency of rail transportation. Such study and evaluation shall include—

(1) a determination of the relationship of the size, weight, and length of railroad cars (other than those contained in unit trains) to the safety and efficiency of rail transportation; and

(2) a determination of the effect of the exclusive ownership and control of rights-of-way by individual railroads on the safety and efficiency of rail transportation, considering, among other things, whether or not such rights-of-way might be better employed under new structures of ownership or other conditions for joint usage.

(b) Within one year after the date of enactment of this Act, the Secretary of Transportation shall complete the portion of the study described in subsection (a)(1) of this section.

(c) Within two years after the date of enactment of this Act, the Secretary of Transportation shall complete the portion of the study described in subsection (a)(2) of this section and submit a report to the Congress setting forth the results of such study, together with recommendations for such legislative or other action as the Secretary deems appropriate.

Approved November 2, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1176 accompanying H.R. 12577 (Comm. on Interstate and Foreign Commerce).

SENATE REPORT No. 95-865 (Comm. on Commerce, Science, and Transportation).

CONGRESSIONAL RECORD, Vol. 124 (1978):

May 25, considered and passed Senate.

Oct. 11, 13, H.R. 12577 considered and passed House; passage vacated, and S. 3081, amended, passed in lieu.

Oct. 15, Senate concurred in House amendments.

Public Law 95-575
95th Congress

An Act

To amend title 18 of the United States Code to eliminate racketeering in the sale and distribution of cigarettes, and for other purposes.

Nov. 2, 1978
[S. 1487]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 18, United States Code, is amended by inserting after chapter 113 the following new chapter:

Cigarettes. Sale and distribution racketeering, elimination.

"CHAPTER 114—TRAFFICKING IN CONTRABAND CIGARETTES

"Sec.
"2341. Definitions.
"2342. Unlawful acts.
"2343. Recordkeeping and inspection.
"2344. Penalties.
"2345. Effect on State law.
"2346. Enforcement and regulations.

"§ 2341. Definitions

18 USC 2341.

"As used in this chapter—

"(1) the term 'cigarette' means—

"(A) any roll of tobacco wrapped in paper or in any substance not containing tobacco; and

"(B) any roll of tobacco wrapped in any substance containing tobacco which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette described in subparagraph (A);

"(2) the term 'contraband cigarettes' means a quantity in excess of 60,000 cigarettes, which bear no evidence of the payment of applicable State cigarette taxes in the State where such cigarettes are found, if such State requires a stamp, impression, or other indication to be placed on packages or other containers of cigarettes to evidence payment of cigarette taxes, and which are in the possession of any person other than—

"(A) a person holding a permit issued pursuant to chapter 52 of the Internal Revenue Code of 1954 as a manufacturer of tobacco products or as an export warehouse proprietor, or a person operating a customs bonded warehouse pursuant to section 311 or 555 of the Tariff Act of 1930 (19 U.S.C. 1311 or 1555) or an agent of such person;

26 USC 5701 *et seq.*

"(B) a common or contract carrier transporting the cigarettes involved under a proper bill of lading or freight bill which states the quantity, source, and destination of such cigarettes;

"(C) a person—

"(i) who is licensed or otherwise authorized by the State where the cigarettes are found to account for and pay cigarette taxes imposed by such State; and

"(ii) who has complied with the accounting and payment requirements relating to such license or authorization with respect to the cigarettes involved; or

"(D) an officer, employee, or other agent of the United States or a State, or any department, agency, or instrumentality of the United States or a State (including any political subdivision of a State) having possession of such cigarettes in connection with the performance of official duties;

"(3) the term 'common or contract carrier' means a carrier holding a certificate of convenience and necessity, a permit for contract carrier by motor vehicle, or other valid operating authority under the Interstate Commerce Act, or under equivalent operating authority from a regulatory agency of the United States or of any State;

49 USC prec. 1 note.

"(4) the term 'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or the Virgin Islands; and

"(5) the term 'Secretary' means the Secretary of the Treasury.

18 USC 2342.

"§ 2342. Unlawful acts

"(a) It shall be unlawful for any person knowingly to ship, transport, receive, possess, sell, distribute, or purchase contraband cigarettes.

"(b) It shall be unlawful for any person knowingly to make any false statement or representation with respect to the information required by this chapter to be kept in the records of any person who ships, sells, or distributes any quantity of cigarettes in excess of 60,000 in a single transaction.

18 USC 2343.

"§ 2343. Recordkeeping and inspection

"(a) Any person who ships, sells, or distributes any quantity of cigarettes in excess of 60,000 in a single transaction shall maintain such information about the shipment, receipt, sale, and distribution of cigarettes as the Secretary may prescribe by rule or regulation. The Secretary may require such person to keep only—

"(1) the name, address, destination (including street address), vehicle license number, driver's license number, signature of the person receiving such cigarettes, and the name of the purchaser;

"(2) a declaration of the specific purpose of the receipt (personal use, resale, or delivery to another); and

"(3) a declaration of the name and address of the recipient's principal in all cases when the recipient is acting as an agent.

Such information shall be contained on business records kept in the normal course of business. Nothing contained herein shall authorize the Secretary to require reporting under this section.

"(b) Upon the consent of any person who ships, sells, or distributes any quantity of cigarettes in excess of 60,000 in a single transaction, or pursuant to a duly issued search warrant, the Secretary may enter the premises (including places of storage) of such person for the purpose of inspecting any records or information required to be maintained by such person under this chapter, and any cigarettes kept or stored by such person at such premises.

18 USC 2344.

"§ 2344. Penalties

"(a) Whoever knowingly violates section 2342(a) of this title shall be fined not more than $100,000 or imprisoned not more than five years, or both.

"(b) Whoever knowingly violates any rule or regulation promulgated under section 2343(a) or 2346 of this title or violates section

2342(b) of this title shall be fined not more than $5,000 or imprisoned not more than three years, or both.

"(c) Any contraband cigarettes involved in any violation of the provisions of this chapter shall be subject to seizure and forfeiture, and all provisions of the Internal Revenue Code of 1954 relating to the seizure, forfeiture, and disposition of firearms, as defined in section 5845(a) of such Code, shall, so far as applicable, extend to seizures and forfeitures under the provisions of this chapter. 26 USC 1 *et seq.* 26 USC 5845.

"§ 2345. Effect on State law 18 USC 2345.

"(a) Nothing in this chapter shall be construed to affect the concurrent jurisdiction of a State to enact and enforce cigarette tax laws, to provide for the confiscation of cigarettes and other property seized for violation of such laws, and to provide for penalties for the violation of such laws.

"(b) Nothing in this chapter shall be construed to inhibit or otherwise affect any coordinated law enforcement effort by a number of States, through interstate compact or otherwise, to provide for the administration of State cigarette tax laws, to provide for the confiscation of cigarettes and other property seized in violation of such laws, and to establish cooperative programs for the administration of such laws.

"§ 2346. Enforcement and regulations 18 USC 2346.

"The Secretary, subject to the provisions of section 2343(a) of this title, shall enforce the provisions of this chapter and may prescribe such rules and regulations as he deems reasonably necessary to carry out the provisions of this chapter.".

SEC. 2. The table of chapters of part I of title 18, United States Code, is amended by inserting immediately below the item relating to chapter 113 the following:

"114. Trafficking in Contraband Cigarettes..... 2341."

SEC. 3. (a) Section 1(b) of the Act of August 9, 1939 (ch. 618, 53 Stat. 1291 (49 U.S.C. 781(b))), is amended—

(1) by striking out "or" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; or"; and

(3) by inserting after paragraph (3) the following new paragraph:

"(4) Any cigarette, with respect to which there has been committed any violation of chapter 114 of title 18, United States Code, or any regulation issued pursuant thereto.". *Ante*, p. 2463.

(b) Section 7 of the Act of August 9, 1939 (ch. 618, 53 Stat. 1291 (49 U.S.C. 787)), is amended— Definitions.

(1) by striking out "and" at the end of subsection (e);

(2) by striking out the period at the end of subsection (f) and inserting in lieu thereof "; and"; and

(3) by inserting after subsection (f) the following new subsection:

"(g) The term 'cigarettes' means 'contraband cigarettes' as now or hereafter defined in section 2341 of title 18, United States Code.". "Cigarettes."

(c) Section 1961(1)(B) of title 18, United States Code, is amended by inserting after "sections 2314 and 2315 (relating to interstate trans-

portation of stolen property)," the following: "sections 2341-2346 (relating to trafficking in contraband cigarettes),".

18 USC 2341 note.

SEC. 4. (a) Except as provided in subsection (b), this Act shall take effect on the date of its enactment.

(b) Sections 2342(b) and 2343 of title 18, United States Code, as enacted by the first section of this Act, shall take effect on the first day of the first month beginning more than 120 days after the date of the enactment of this Act.

Appropriation authorization. 18 USC 2341 note.

SEC. 5. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of chapter 114 of title 18, United States Code, added by the first section of this Act.

Approved November 2, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-1629, accompanying H.R. 8853 (Comm. on the Judiciary) and No. 95-1778 (Comm. of Conference).
SENATE REPORT No. 95-962 (Comm. on the Judiciary).
CONGRESSIONAL RECORD, Vol. 128 (1978):
Sept. 29, considered and passed Senate.
Oct. 3, H.R. 8853 considered and passed House; passage vacated, and S. 1487, amended, passed in lieu.
Oct. 15, House and Senate agreed to conference report.

Public Law 95-576
95th Congress

An Act

To amend the Federal Water Pollution Control Act to provide additional authorizations for certain operating programs under the Act.

Nov. 2, 1978
[H.R. 12140]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) clause (1) of section 104(u) of the Federal Water Pollution Control Act (33 U.S.C. 1254) is amended to read as follows: "(1) not to exceed $100,000,000 per fiscal year for the fiscal year ending June 30, 1973, the fiscal year ending June 30, 1974, and the fiscal year ending June 30, 1975, and not to exceed $14,039,000 for the fiscal year ending September 30, 1980, for carrying out the provisions of this section, other than subsections (g) (1) and (2), (p), (r), and (t), except that such authorizations are not for any research, development, or demonstration activity pursuant to such provisions;".

Federal Water Pollution Control Act, amendment.

(b)(1) Section 311(a)(2) of the Federal Water Pollution Control Act is amended by inserting before the semicolon at the end thereof the following: ", but excludes (A) discharges in compliance with a permit under section 402 of this Act, (B) discharges resulting from circumstances identified and reviewed and made a part of the public record with respect to a permit issued or modified under section 402 of this Act, and subject to a condition in such permit, and (C) continuous or anticipated intermittent discharges from a point source, identified in a permit or permit application under section 402 of this Act, which are caused by events occurring within the scope of relevant operating or treatment systems".

Oil and hazardous substance liability.
33 USC 1321.
33 USC 1342.

(2) Section 311(a) of the Federal Water Pollution Control Act is amended by adding at the end thereof the following new paragraph:

"(17) 'Otherwise subject to the jurisdiction of the United States' means subject to the jurisdiction of the United States by virtue of United States citizenship, United States vessel documentation or numbering, or as provided for by international agreement to which the United States is a party.".

(3) Section 311(b)(2)(B) of such Act is amended to read as follows:

Study and report to Congress.

"(B) The Administrator shall within 18 months after the date of enactment of this paragraph, conduct a study and report to the Congress on methods, mechanisms, and procedures to create incentives to achieve a higher standard of care in all aspects of the management and movement of hazardous substances on the part of owners, operators, or persons in charge of onshore facilities, offshore facilities, or vessels. The Administrator shall include in such study (1) limits of liability, (2) liability for third party damages, (3) penalties and fees, (4) spill prevention plans, (5) current practices in the insurance and banking industries, and (6) whether the penalty enacted in subclause (bb) of clause (iii) of subparagraph (B) of subsection (b)(2) of section 311 of Public Law 92-500 should be enacted.".

86 Stat. 862.

33 USC 1321.

(4) Section 311(b)(3) of such Act is amended by striking out "in harmful quantities" and inserting in lieu thereof "in such quantities as may be harmful".

Regulations.

(5) Section 311(b)(4) of such Act is amended to read as follows:

"(4) The President shall by regulation determine for the purposes of this section those quantities of oil and any hazardous substances the discharge of which may be harmful to the public health or welfare of the United States, including but not limited to fish, shellfish, wildlife, and public and private property, shorelines, and beaches.".

(6) Section 311(b)(5) of the Federal Water Pollution Control Act is amended by inserting "at the time of the discharge" after the words "otherwise subject to the jurisdiction of the United States".

(7) Section 311(b)(6) of such Act is amended by inserting after "(6)" the letter "(A)" and by inserting "at the time of the discharge" after the words "otherwise subject to the jurisdiction of the United States", and by inserting four new subparagraphs as follows:

Penalty.

"(B) The Administrator, taking into account the gravity of the offense, and the standard of care manifested by the owner, operator, or person in charge, may commence a civil action against any such person subject to the penalty under subparagraph (A) of this paragraph to impose a penalty based on consideration of the size of the business of the owner or operator, the effect on the ability of the owner or operator to continue in business, the gravity of the violation, and the nature, extent, and degree of success of any efforts made by the owner, operator, or person in charge to minimize or mitigate the effects of such discharge. The amount of such penalty shall not exceed $50,000, except that where the United States can show that such discharge was the result of willful negligence or willful misconduct within the privity and knowledge of the owner, operator, or person in charge, such penalty shall not exceed $250,000. Each violation is a separate offense.

Jurisdiction.

Any action under this subparagraph may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and such court shall have jurisdiction to assess such penalty. No action may be commenced under this clause where a penalty has been assessed under clause (A) of this paragraph.

Damages, mitigation.

Costs.

"(C) In addition to establishing a penalty for the discharge of a hazardous substance, the Administrator may act to mitigate the damage to the public health or welfare caused by such discharge. The cost of such mitigation shall be deemed a cost incurred under subsection (c) of this section for the removal of such substance by the United States Government.

"(D) Any costs of removal incurred in connection with a discharge excluded by subsection (a)(2)(C) of this section shall be recoverable from the owner or operator of the source of the discharge in an action brought under section 309(b) of this Act. Recovery. 33 USC 1319.

"(E) Civil penalties shall not be assessed under both this section and section 309 for the same discharge.".

Approved November 2, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1097 (Comm. on Public Works and Transportation).
CONGRESSIONAL RECORD, Vol. 124 (1978):
June 5, considered and passed House.
Oct. 15, considered and passed Senate, amended; House concurred in Senate amendment.

Public Law 95-577
95th Congress

An Act

Nov. 2, 1978
[H.R. 13597]

To authorize the Architect of the Capitol to install solar collectors for furnishing a portion of the energy needs of the Rayburn House Office Building and House Office Building Annex Numbered 2, and for other purposes.

Rayburn Office Building and House Annex No. 2, solar collector installation.
40 USC 175 note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Architect of the Capitol, under the direction of the House Office Building Commission, shall install solar collectors for furnishing a portion of the energy needs of the Rayburn House Office Building and of House Office Building Annex Numbered 2.

(b) In carrying out this Act, the Architect of the Capitol, under the direction of the House Office Building Commission, is authorized to (1) procure such personal and other services as may be necessary to carry out this Act, and (2) provide for such structural and other changes in the Rayburn House Office Building and House Office Building Annex Numbered 2, such changes in or additions to their appurtenant facilities, such connections to existing facilities or utilities, and such equipment and apparatus, as may be necessary to carry out this Act.

Drawing and estimates, submittal to House committee.
40 USC 175 note.

SEC. 2. The Architect of the Capitol shall submit to the House Public Works and Transportation Committee final engineering and design drawings and final cost estimates for the project authorized under this Act, before soliciting bids to carry out the project. After the submission of such information, the Architect of the Capitol shall not solicit bids to carry out the project authorized under this Act until thirty legislative days after the date of such submission.

Appropriation authorization.
40 USC 175 note.

SEC. 3. There is hereby authorized to be appropriated not to exceed $3,000,000 to carry out this Act.

Approved November 2, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1513 (Comm. on Public Works and Transportation).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 25, considered and passed House.
Oct. 15, considered and passed Senate.

Public Law 95-578
95th Congress

An Act

To authorize the Secretary of the Interior to construct, restore, operate, and maintain new or modified features at existing Federal reclamation dams for safety of dams purposes.

Nov. 2, 1978
[S. 2820]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be cited as the "Reclamation Safety of Dams Act of 1978".

Reclamation Safety of Dams Act of 1978.
43 USC 506 note.

SEC. 2. In order to preserve the structural safety of Bureau of Reclamation dams and related facilities the Secretary of the Interior is authorized to perform such modifications as he determines to be reasonably required. Said performance of work shall be in accordance with the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory or supplementary thereto).

Structures, modifications.
43 USC 506.
43 USC 391 note.

SEC. 3. Construction authorized by this Act shall be for the purposes of dam safety and not for the specific purposes of providing additional conservation storage capacity or of developing benefits over and above those provided by the original dams and reservoirs. Nothing in this Act shall be construed to reduce the amount of project costs allocated to reimbursable purposes heretofore authorized.

43 USC 507.

SEC. 4. (a) Costs heretofore or hereafter incurred in the modification of structures under this Act, the cause of which results from age and normal deterioration of the structure or from nonperformance of reasonable and normal maintenance of the structure by the operating entity shall be considered as project costs and will be allocated to the purposes for which the structure was authorized initially to be constructed and will be reimbursable as provided by existing law.

43 USC 508.

(b) Costs heretofore or hereafter incurred in the modification of structures under this Act, the cause of which results from new hydrologic or seismic data or changes in state-of-the-art criteria deemed necessary for safety purposes shall be nonreimbursable and nonreturnable under the Federal Reclamation law.

SEC. 5. There are hereby authorized to be appropriated for fiscal year 1979 and ensuing fiscal years such sums as may be necessary, but not to exceed $100,000,000, to carry out the provisions of this Act to remain available until expended if so provided by the appropriations Act: *Provided*, That no funds shall be obligated for carrying out actual construction to modify an existing dam under authority of this Act prior to sixty days (which sixty days shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three calendar days to a day certain) from the date that the Secretary has transmitted a report on such existing dam to the Congress. The report required to be submitted by this section will consist of a finding by the Secretary of the Interior to the effect that modifications are required to be made to insure the safety of an existing dam. Such finding shall be accompanied by a technical report containing information on the need for structural modification, the corrective action deemed to be required, alternative solutions to structural modification that were considered, the estimated cost of needed modifications, and environmental impacts if any resulting from the implementation of the recommended plan of modification.

Appropriation authorization.
43 USC 509.

Report to Congress.

Salt River Project, reimbursement.

SEC. 6. Notwithstanding any other provision of law, the Secretary of the Interior is authorized and directed to reimburse the Salt River Project for expenses incurred to modify the Bartlett Dam spillway and outfall channel, undertaken for safety of dam purposes pursuant to the provisions of this Act.

FEDERAL RECLAMATION DAMS SAFETY

American Falls Dam costs, payment and contracts.

SEC. 7. Notwithstanding any other provision of law, the Secretary of the Interior is authorized and directed to pay and discharge that portion of the costs associated with the replacement of the American Falls Dam which the irrigation spaceholder contracting entities are obligated to pay pursuant to the implementation of the act of December 28, 1973 (87 Stat. 904), to treat such costs as costs incurred under this act, and to enter into contracts with the irrigation spaceholder contracting entities to accomplish the payment and discharge of such costs.

91 Stat. 227.

SEC. 8. The Congress hereby finds that the oversight provided for in section 3 of Public Law 95-46 has been accomplished with respect to the three temporary water service contracts between the United States and the Westlands Water District, as forwarded to Congress on October 4, 1978.

Investigation and study.

SEC. 9. (a) The Secretary of the Interior, after October 1, 1979, shall make a full investigation and study to determine the feasibility of carrying out a project to rehabilitate and improve the existing Santa Cruz Dam and Reservoir, Santa Cruz Irrigation District, New Mexico, including—

(1) repairing and stabilizing the face of the dam;

(2) enlarging spillway capacity to insure the safety of the dam; and

(3) raising the dam to increase the storage capacity of Santa Cruz Reservoir.

(b) In carrying out the investigation and study authorized by subsection (a) the Secretary shall give full consideration to the potential for developing the Santa Cruz Dam and Reservoir as a unit or part of the San Juan-Chama project.

Submittal to President and Congress.

(c) The Secretary shall submit to the President and the Congress as soon as practicable the results of such investigation together with his recommendations.

(d) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this bill.

43 USC 1511.

SEC. 10. The fourth sentence of section 201 of the Act of September 30, 1968 (Public Law 90-537) is amended by striking out "from the date of this Act" and by inserting in lieu thereof the following: "from the date of the enactment of the Reclamation Safety of Dams Act of 1978".

SEC. 11. The Secretary of the Interior is hereby directed, notwithstanding the terms of the Contract Numbers 14-06-100-7174, to make necessary repairs on the Scoggins Valley Road around Henry Hagg Lake, Oregon, at Federal expense pursuant to the authority of Public Law 89-596 which authorized the construction, operation and maintenance of the Tualatin Reclamation Project in Oregon.

Scoggins Valley Road, Ore., repairs.

43 USC 616nnn.

Approved November 2, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1125, accompanying H.R. 11153 (Comm. on Interior and Insular Affairs).
SENATE REPORT No. 95-810 (Comm. on Energy and Natural Resources).
CONGRESSIONAL RECORD, Vol. 124 (1978):
July 28, considered and passed Senate.
Oct. 14, H.R. 11153 considered and passed House; passage vacated, and S. 2820, amended, passed in lieu.
Oct. 15, Senate concurred in House amendment.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 44:
Nov. 2, Presidential statement.

Public Law 95-579
95th Congress

An Act

Nov. 2, 1978
[S. 2247]

Amending section 312 of the Immigration and Nationality Act.

Immigration and Nationality Act, amendment.
Eugenia Cortes, relief.
8 USC 1423.
8 USC 1401.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Eugenia Cortes shall be held and considered to be within the purview of the first proviso to section 312(1) of that Act and may be naturalized upon compliance with all of the other requirements of title III of that Act.

SEC. 2. That no financial or other consideration shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the enactment of this Act, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be guilty of a misdemeanor and upon conviction thereof shall be fined $1,000.

SEC. 3. The first proviso contained in paragraph (1) of section 312 of the Immigration and Nationality Act (8 U.S.C. 1423) is amended by striking out "or to any person who, on the effective date of this Act, is over fifty years of age and has been living in the United States for periods totaling at least twenty years" and by inserting in lieu thereof the following: "or to any person who, on the date of the filing of his petition for naturalization as provided in section 334 of this Act, is over fifty years of age and has been living in the United States for periods totaling at least twenty years subsequent to a lawful admission for permanent residence".

8 USC 1445.

Approved November 2, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1683 (Comm. on the Judiciary).
SENATE REPORT No. 95-897 (Comm. on the Judiciary).
CONGRESSIONAL RECORD, Vol. 124 (1978):
May 23, considered and passed Senate.
Oct. 14, considered and passed House, amended.
Oct. 15, Senate concurred in House amendment.

Public Law 95-580
95th Congress

An Act

To establish a Rural Transportation Advisory Task Force, and for other purposes.

Nov. 2, 1978
[S. 1835]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby finds and declares that—

Rural Transportation Advisory Task Force. Establishment. 49 USC 1653 note.

(1) an adequate transportation system, made up of various modes of transportation, is essential to the overall success of the Nation's agriculture programs, to a sound program of rural development, and to the economic stability of the United States;

(2) the economical and efficient movement of agricultural commodities (including forest products) and agricultural inputs has been impeded by a shortage of railroad freight cars and motor trucks and by the deteriorated condition of many rail roadbeds throughout the United States;

(3) the economical and efficient movement of agricultural commodities (including forest products) and agricultural inputs is further threatened by the proposed abandonment by the railroad companies of thousands of miles of important railroad lines in the United States;

(4) the maintaining of an efficient and economical transportation system for agriculture and rural development in the United States has not received the priority attention which such system should have received; and

(5) the Secretary of Agriculture and the Secretary of Transportation have a responsibility to assume a more active role in representing the interests of agriculture and rural development in the United States in order to insure the availability of an adequate, efficient, and economical transportation system sufficient to meet the needs of agriculture and rural development in the United States.

SEC. 2. (a) There is hereby created in accordance with the provisions of this section a Rural Transportation Advisory Task Force (hereinafter referred to as the "Task Force").

49 USC 1653 note.

(b) The Secretary of Agriculture and the Secretary of Transportation (hereinafter referred to as the Secretaries) shall serve as Cochairmen of the Task Force, which shall consist of fourteen members in addition to the Cochairmen, appointed by the Secretaries on the following basis:

Cochairmen and membership.

(1) one to be selected from a list of qualified individuals recommended by the Secretary of Agriculture;

(2) one to be selected from a list of qualified individuals recommended by the Secretary of Transportation;

(3) one to be selected from a list of qualified individuals recommended by the Chairman of the Interstate Commerce Commission;

(4) one to be selected from a list of qualified individuals recommended by the chairman of the Committee on Agriculture, Nutrition, and Forestry, United States Senate;

(5) one to be selected from a list of qualified individuals recommended by the chairman of the Committee on Agriculture, United States House of Representatives;

(6) three to be selected from lists of qualified individuals recommended by carriers and associations of carriers, not to include more than one representative from each of the three transportation modes, rail, motor, and water;

(7) four to be selected from lists of qualified individuals recommended by the agricultural community, including agricultural shippers and associations of shippers; and

(8) two to be selected from lists of qualified individuals recommended by the academic community.

Recommendations from congressional committees.

(c) Within fifteen days after the enactment of this section, the Secretaries shall solicit recommendations from the Chairman of the Interstate Commerce Commission; the chairman of the Committee on Agriculture, Nutrition, and Forestry, United States Senate; and the chairman of the Committee on Agriculture, United States House of Representatives. The Secretaries shall cause notice to be published in the Federal Register soliciting recommendations from which to make the selections required under subparts (6), (7), and (8) of subsection (b) of this section.

Notice, publication in Federal Register.

(d) Vacancies on the Task Force shall be filled in the manner prescribed for original selections.

(e) Members of the Task Force who are full-time officers or employees of the United States shall receive no additional pay on account of this service on the Task Force. While away from their homes or regular places of business in the performance of services for the Task Force, members of the Task Force shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

Travel allowances.

(f) The Task Force shall be dissolved forty-five days after the publication of the final report required under section 4 of this Act.

(g) The Secretaries shall furnish such supplies and clerical, administrative, and other support as they deem necessary to enable the Task Force to carry out its responsibilities.

Report, publication and dissemination. 49 USC 1653 note.

SEC. 3. (a) The Task Force may compile and publish an initial report which, if published, shall include recommendations for determining the essential transportation needs of agriculture on a continuing basis, for establishing a national agricultural transportation policy, and for methods of identifying impediments to a railroad transportation system adequate to meet the essential needs of the agriculture industry of the United States. Such report, if published, shall also include, but shall not be limited to, maps which identify the locations in the several States which the Task Force, on the basis of the importance of such locations within agricultural producing, marketing, or consuming areas, determines should receive railroad service: *Provided*, That this directive is not to be construed as requiring comprehensive line-by-line analyses of all branch lines.

Submittal to congressional committees.

(b) The report authorized in section 3(a) shall, if published, be published not later than one hundred and eighty days after the date of enactment of this Act. The Task Force shall submit copies of such report, if published, to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives and shall provide for the widespread public dissemination of such report throughout the United States as soon as practicable after its publication.

(c) Within ninety days after the publication of the initial report described in section 3(a), or if such report is not published, within two hundred and seventy days after enactment of this Act, the Task Force shall announce dates for and hold public hearings at various locations throughout the United States, take such testimony and receive such evidence as it considers advisable for the purpose of obtaining the views of interested persons on such initial report or, if such report is not published, on recommendations for the final report required under this Act. Public hearings.

(d) Within one hundred and twenty days after the publication of the initial report described in section 3(a) or, if such report is not published, within three hundred days after enactment of this Act, the Task Force shall prepare and publish a summary of the testimony presented at such hearings, and shall provide for the widespread public dissemination of such summary as soon as possible following the publication thereof. Testimony summary, publication.

SEC. 4. (a) The Task Force shall prepare and publish, within four hundred and twenty days after the date of enactment of this Act, a final report including recommendations for determining the essential needs of agriculture on a continuing basis, for establishing a national agricultural transportation policy, for methods of identifying impediments to a railroad transportation adequate to meet the essential needs of the agriculture industry, and containing specific recommendations for a railroad transportation system adequate to meet the essential needs of the agriculture industry of the United States. In preparing such final report, the Task Force shall take into consideration the testimony received at the public hearing required under this Act. Final report, publication. 49 USC 1653 note.

(b) Copies of such final report shall be submitted to the Committee on Agriculture, Nutrition, and Forestry of the Senate, the Committee on Agriculture of the House of Representatives, and the Chairman of the Interstate Commerce Commission. The Task Force shall provide for the widespread public dissemination of such final report. Submittal to congressional committees and ICC.

SEC. 5. The provisions of this Act shall become effective October 1, 1978. Effective date. 49 USC 1653 note.

Approved November 2, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1600, accompanying H.R. 12917 (Comm. on Agriculture).
SENATE REPORT No. 95-923 (Comm. on Agriculture, Nutrition, and Forestry).
CONGRESSIONAL RECORD, Vol. 124 (1978):
June 8, considered and passed Senate.
Oct. 3, 4, H.R. 12917 considered and passed House; passage vacated, and S. 1835, amended, passed in lieu.
Oct. 15, Senate concurred in House amendment.

Public Law 95-581
95th Congress

An Act

Nov. 2, 1978
[H.R. 10343]

To provide for recalculation of the retired pay of individuals who served as sergeant major of the Marine Corps before December 16, 1967.

Marine Corps, sergeant major. Retired pay, recalculation. 10 USC 1401a note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the retired pay of any individual who served as sergeant major of the Marine Corps and who completed such service before December 16, 1967, shall be computed based upon a rate of basic pay of the sum of (1) the highest rate of basic pay to which such individual was entitled while so serving, and (2) $150.

(b) For the purpose of computing any adjustment under section 1401a of title 10, United States Code, in the retired pay of any individual whose retired pay is affected by subsection (a), the rate of basic pay provided under such subsection for the purpose of computing the retired pay of such individual shall be considered to have been the rate of basic pay applicable to such individual at the time of his retirement, and any adjustment under such section 1401a in the retired pay of such individual before September 30, 1978, shall be readjusted to reflect such rate of basic pay.

Effective date. 10 USC 1401a note.

SEC. 2. (a) Any change in the retired pay of any individual by reason of the enactment of this Act shall be effective for months beginning after September 30, 1978.

(b) The enactment of this Act shall not reduce the retired pay of any individual.

Approved November 2, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-857 (Comm. on Armed Services).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Apr. 3, June 5, considered and passed House.
Oct. 14, considered and passed Senate.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 44:
Nov. 2, Presidential statement.

Public Law 95-582
95th Congress

An Act

To provide for nationwide service of subpoenas in all suits involving the False Claims Act, and for other purposes.

Nov. 2, 1978
[H.R. 12393]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3491 of the Revised Statutes, as amended (31 U.S.C. 232), is amended by adding a new subsection (F), as follows:

Subpoenas, nationwide service in certain suits.

"(F) A subpoena requiring the attendance of a witness at a trial or hearing conducted under sections 3490 through 3494 and 5438 of the Revised Statutes, as amended, may be served at any place in the United States.".

31 USC 231-235.

SEC. 2. Section 274 of the Immigration and Nationality Act (8 U.S.C. 1324) is amended by redesignating subsection (b) as subsection (c) and adding a new subsection (b) as follows:

"(b)(1) Any vessel, vehicle, or aircraft which is used in the commission of a violation of subsection (a) shall be subject to seizure and forfeiture, except when—

Seizure and forfeiture, exceptions.

"(A) the owner, master, or other person in charge of such vessel, vehicle, or aircraft, was not, at the time of the alleged illegal act, a consenting party or privy thereto; or

"(B) the alleged illegal act occurred while such vessel, vehicle, or aircraft was in the illegal possession of any person other than the owner, as established by the criminal laws of the United States, or of any States.

"(2) The Attorney General shall, within one hundred and eighty days from the date of enactment of this Act, promulgate regulations setting forth procedures for the expeditious return to the owner, master, or other person in charge of any vessel, vehicle, or aircraft seized in violation of paragraph (1). In any such case, the owner, master, or other person in charge of such vessel, vehicle, or aircraft shall not incur any expenses, including costs of transportation, storage, damage, and attorney fees, associated with such seizure and forfeiture. In the case of a vehicle seized and forfeited pursuant to paragraph (1) subject to a valid lien or other third-party interest, the regulations shall provide for satisfaction of the third party interest without expense to the interestholder.

Regulations.

"(3) Any conveyance subject to seizure under this section may be seized without a warrant if there is probable cause to believe the conveyance has been used in violation of subsection (a) and circumstances exist where a warrant is not constitutionally required.

"(4) All provisions of law relating to the seizure, forfeiture, and disposition of vessels, vehicles, and aircraft for violations of customs law shall apply to violations of the provisions of this chapter: *Provided*, That—

"(A) duties imposed on customs officers or other persons regarding the seizure of such conveyances under customs law shall apply to seizures carried out under the provisions of this section by such officers or persons authorized for that purpose by the Attorney General; and

"(B) proceedings instituted under this subsection respecting vessels shall be subject to the Supplemental Rules of Certain Admiralty and Maritime Claims.".

Approved November 2, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1447 (Comm. on the Judiciary).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 18, considered and passed House.
Oct. 13, considered and passed Senate, amended.
Oct. 15, House concurred in Senate amendment.

Public Law 95-583
95th Congress

An Act

To amend subchapter III of chapter 83 of title 5, United States Code, to provide that employees who retire after 5 years of service, in certain instances, may be eligible to retain their life and health insurance benefits, and for other purposes.

Nov. 2, 1978
[H.R. 4319]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8706 of title 5, United States Code, is amended—

Federal employees, life and health insurance benefits.

(1) by striking out subsections (b) and (c) and inserting in lieu thereof the following new subsection:

"(b)(1) If on the date the insurance would otherwise stop the employee retires on an immediate annuity and has been insured under this chapter throughout—

"(A) the 5 years of service immediately preceding such date, or

"(B) the full period or periods of service during which the employee was entitled to be insured, if less than 5 years,

life insurance only may be continued, without cost to the employee, under conditions determined by the Commission.

"(2) If on the date the insurance would otherwise stop the employee is receiving compensation under subchapter I of chapter 81 of this title because of disease or injury to the employee and has been insured under this chapter throughout—

Compensation.
5 USC 8101 *et seq.*

"(A) the 5 years of service immediately preceding such date, or

"(B) the full period or periods of service during which the employee was entitled to be insured, if less than 5 years,

life insurance only may be continued, without cost to the employee, under conditions determined by the Commission, during the period the employee is receiving compensation for work injuries and is held by the Secretary of Labor or his delegate to be unable to return to duty.

"(3) The amount of life insurance continued under paragraph (1) or paragraph (2) of this subsection shall be reduced by 2 percent at the end of each full calendar month after the date the employee becomes 65 years of age and is retired or is receiving such compensation for disease or injury. The Commission shall prescribe minimum amounts, not less than 25 percent of the amount of life insurance in force before the first reduction, to which the insurance may be reduced.";

(2) by redesignating subsections (d) through (f) as subsections (c) through (e), respectively; and

(3) by striking out "(a)-(c)" in subsection (d), as redesignated by paragraph (2), and inserting in lieu thereof "(a) and (b)".

(b) Section 8705(a) of title 5, United States Code, is amended by striking out "or (c)".

(c) Section 8714a of title 5, United States Code, is amended—

(1) by striking out "8706(d)" in subsection (c)(1) and inserting in lieu thereof "8706(c)";

(2) by amending subsection (c)(2) to read as follows:

Optional life insurance.

"(2)(A) In the case of any employee who retires on an immediate annuity and has been insured under this section throughout—

"(i) the 5 years of service immediately preceding the date of such retirement, or

"(ii) the full period or periods of service during which the employee was entitled to be insured, if less than 5 years,

the amount of optional life insurance only which has been in force throughout such period may be continued, under conditions determined by the Commission.

Compensation. 5 USC 8101.

"(B) In the case of any employee who becomes entitled to receive compensation under subchapter I of chapter 81 of this title because of disease or injury to the employee and has been insured under this section throughout—

"(i) the 5 years of service immediately preceding the date such employee becomes entitled to such compensation, or

"(ii) the full period or periods of service during which the employee was entitled to be insured, if less than 5 years,

the amount of optional life insurance only which has been in force throughout such period may be continued, under conditions determined by the Commission, during the period the employee is receiving such compensation for disease or injury and is held by the Secretary of Labor or his delegate to be unable to return to duty.

"(C) The amount of optional life insurance continued under subparagraph (A) or subparagraph (B) of this paragraph shall be subject to the same monthly reductions as required for regular life insurance under section 8706(b)(3) of this title."; and

(3) by striking out "or 8706(c)" in subsection (d).

SEC. 2. Section 8901(3)(A) of title 5, United States Code, is amended by striking out "12" and inserting in lieu thereof "5".

Effective date. 5 USC 8706 note.

SEC. 3. The amendments made by this Act shall take effect on the date of the enactment of this Act.

Approved November 2, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-284 (Comm. on Post Office and Civil Service).
SENATE REPORT No. 95-1080 (Comm. on Governmental Affairs).
CONGRESSIONAL RECORD:
Vol. 123 (1977): July 18, considered and passed House.
Vol. 124 (1978): Aug. 18, considered and passed Senate, amended.
Oct. 10, House concurred in Senate amendment with an amendment.
Oct. 13, Senate concurred in House amendment.

Public Law 95-584
95th Congress

An Act

To repeal certain provisions of law establishing limits on the amount of land certain religious corporations may hold in any Territory of the United States.

Nov. 2, 1978
[S. 3371]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1890 of the Revised Statutes of the United States (48 U.S.C. 1480), section 26 of the Act entitled "An Act to amend an Act entitled 'An Act to amend section fifty-three hundred and fifty-two of the Revised Statutes of the United States, in reference to bigamy, and for other purposes' approved March twenty-second, eighteen hundred and eighty-two" (48 U.S.C. 1480a), and the Act of September 22, 1950 (48 U.S.C. 1480b), are hereby repealed.

Religious corporations, limitation on land holdings. Repeal.

SEC. 2. This repeal may not be considered or construed as endorsement, support, or permission for any development on or other use of any land in any territory or possession of the United States; nor shall it be evidence of congressional or other intent to confirm title to any lands in said territories or possessions claimed by any association, corporation, or other entity for religious or charitable purposes.

48 USC 1480 note.

SEC. 3. Subsection 3(b) of the Act entitled "An Act to provide that the Territory of American Samoa be represented by a nonvoting Delegate to the United States House of Representatives, and for other purposes" is hereby amended to read as follows: "(b) owe allegiance to the United States;".

48 USC 1733.

Approved November 2, 1978.

LEGISLATIVE HISTORY:

SENATE REPORT No. 95-1275 (Comm. on Energy and Natural Resources).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 11, considered and passed Senate.
Oct. 12, considered and passed House, amended.
Oct. 13, Senate concurred in House amendment.

Public Law 95-585
95th Congress

An Act

Nov. 2, 1978
[H.R. 3185]

To amend the Act commonly known as the Miller Act to raise the dollar amount of contracts to which such Act applies from $2,000 to $25,000.

Miller Act, amendment.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of the first section of the Act entitled "An Act requiring contracts for the construction, alteration, and repair of any public building or public work of the United States to be accompanied by a performance bond protecting the United States and by an additional bond for the protection of persons furnishing material and labor for the construction, alteration, or repair of said public buildings or public work", approved August 24, 1935 (49 Stat. 793; 40 U.S.C. 270a(a)), is amended by striking out "$2,000" and inserting in lieu thereof "$25,000".

Approved November 2, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1666 (Comm. on the Judiciary).
SENATE REPORT No. 95-1269, accompanying S. 3359 (Comm. on Governmental Affairs).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 10, considered and passed House.
Oct. 13, considered and passed Senate.

Public Law 95-586
95th Congress

An Act

To validate certain land conveyances, and for other purposes.

Nov. 3, 1978
[H.R. 7971]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Land conveyances, validation.

TITLE I—TO VALIDATE THE CONVEYANCE OF CERTAIN LAND IN THE STATE OF CALIFORNIA BY THE SOUTHERN PACIFIC TRANSPORTATION COMPANY

SEC. 101. Subject to section 103, the conveyances executed by the Southern Pacific Transportation Company and described in section 102, involving certain land in San Joaquin County, California, forming a part of the right-of-way granted by the United States to the Central Pacific Railway Company under the Act entitled "An Act to aid in the construction of a railroad and telegraph line from the Missouri River to the Pacific Ocean, and to secure to the Government the use of the same for postal, military, and other purposes", approved July 1, 1862 (12 Stat. 489), as amended, are hereby legalized, validated, and confirmed, as far as any interest of the United States in such land is concerned, and shall have the same force and effect as if the land involved in each conveyance had been held, on the date of conveyance, under absolute free simple title by the Southern Pacific Transportation Company, subject to a reservation to the United States of the minerals therein.

SEC. 102. The conveyances referred to in the first section of this Act are as follows: Description.

(1) The conveyance entered into between the Southern Pacific Transportation Company, grantor, and Stokely-Van Camp, an Indiana corporation, as grantee, on March 2, 1973, and recorded as instrument numbered 55797 on December 3, 1973, book 3822, page 586, of the Official Records of San Joaquin County, California, describing the following lands: That certain parcel of land situate in the county of San Joaquin, State of California, being a portion of the west half of section 12, township 3 north, range 6 east, Mount Diablo base and meridian, described as follows:

> The easterly 125 feet of the westerly 150 feet of lots 66, 67, 68, 69, the westerly 150 feet of lot 70 and the easterly 100 feet of the westerly 150 feet of lot 71, as said lots are shown on the map of the Lodi-Barnhart Tract, recorded November 5, 1906, in volume 3 of Maps and Plats, page 48, records of said county.

Excepting therefrom that portion of said lot 68 lying easterly of the easterly boundary of the land described in the deed dated August 27, 1962, to Stokely-Van Camp, Incorporated, recorded September 5, 1962, in book 2592, page 385, of Official Records, records of said county, and southerly of the easterly prolongation of the northerly boundary thereof.

(2) The conveyance entered into between the Southern Pacific Transportation Company, grantor, and Bernardino Barengo, a married man, as grantee, on June 27, 1973, and recorded as instrument

numbered 37943 on August 9, 1973, book 3792, page 21, of the Official Records of San Joaquin County, California, describing the following lands: That certain parcel of land situated in the county of San Joaquin, State of California, being a portion of the southwest quarter of section 24, township 4 north, range 6 east, Mount Diablo base and meridian, described as follows:

Commencing at the intersection of the original located center line of Southern Pacific Transportation Company's main track (Stockton to Sacramento) with a line that is parallel with and distant 20.00 feet northerly, measured at right angles, from the south line of said southwest quarter of section 24, said parallel line being the north line of Acampo Road (formerly Main Street);

thence north 88 degrees 36 minutes 00 seconds west, along said parallel line, 140.71 feet to a line that is parallel with and distant 135.00 feet westerly, measured at right angles, from said original located center line and the true point of beginning of the parcel of land to be described;

thence north 14 degrees 58 minutes 30 seconds west, along last said parallel line, 883.19 feet;

thence south 75 degrees 01 minutes 30 seconds west, at right angles from last said parallel line 9.40 feet to the southeasterly corner of the lands of Dino Barengo as described in deed recorded September 29, 1961, in book 2462, page 290, Official Records of said county;

thence northerly along the easterly line of said lands on the following four courses: (1) north 14 degrees 58 minutes 30 seconds west, parallel with said center line, 14.60 feet, (2) north 11 degrees 33 minutes 30 seconds west 100.00 feet, (3) north 9 degrees 39 minutes 30 seconds west 50.00 feet, (4) north 8 degrees 29 minutes 30 seconds west 27.60 feet;

thence south 67 degrees 42 minutes 00 seconds west, along the northerly line of last said lands 69.88 feet to a line that is parallel with and distant 200.00 feet westerly, measured at right angles, from said original located center line, last said parallel line being the westerly line of the 400-foot right-of-way granted by Act of Congress to the Central Pacific Railroad Company;

thence south 14 degrees 58 minutes 30 seconds east, along last said parallel line, 1046.81 feet to said north line of Acampo Road;

thence south 88 degrees 36 minutes 00 seconds east, along said north line, 67.75 feet to the true point of beginning, containing an area of 1.565 acres, more or less.

(3) The conveyance entered into between the Southern Pacific Transportation Company, grantor, and Calvin Clark III, a married man, as grantee, on November 4, 1974, and recorded as instrument numbered 56311 on December 9, 1974, book 3934, page 640, of the Official Records of San Joaquin County, California, describing the following lands: That certain real property situated in the county of San Joaquin, State of California, being a portion of section 24, township 4 north, range 6 east, Mount Diablo base and meridian, more particularly described as follows:

Commencing at the point of intersection of a line parallel with and distant 30 feet westerly, measured at right angles, from the easterly line of Sycamore Street, with the westerly prolongation of the northerly line of an alley in block 4 as said street, alley and block are shown on the map of the town of Acampo;

thence south 88 degrees 36 minutes 00 seconds east along said

prolongation, northerly line and its easterly prolongation thereof, 474.05 feet to a point in the southwesterly line of land (400 feet wide) of Southern Pacific Transportation Company;

thence north 14 degrees 58 minutes 30 seconds west along said southwesterly line being parallel with and distant 200.0 feet southwesterly, measured at right angles, from the original located center line of said company's main track (Tracy-Polk), 166.38 feet to a point in the northerly line of land of Dino Barengo as described in deed recorded September 29, 1961, in book 2462 of the Official Records, page 290, Records of San Joaquin County and the actual point of beginning of the parcel of land to be described;

thence continuing north 14 degrees 58 minutes 30 seconds west along said southwesterly line, 693.8 feet to a point in the southerly line of land now or formerly of George L. Keeney and E. M. Keeney; thence south 88 degrees 57 minutes east along the seconds west along said southwesterly line, 693.8 feet to a point distant 74.08 feet westerly, measured at right angles, from said center line of main track;

thence south 6 degrees 42 minutes east 96.05 feet;

thence south 8 degrees 29 minutes 30 seconds east 559.88 feet to a point in said northerly line of Dino Barengo, being distant 151.12 feet westerly, measured at right angles, from said center line;

thence south 67 degrees 42 minutes 00 seconds west along last said northerly line, 49.29 feet to the actual point of beginning, containing an area of 1.343 acres, more or less;

(4) The conveyance entered into between the Southern Pacific Transportation Company, grantor, and the city of Lodi, a municipal corporation, as grantee, on November 6, 1974, and recorded as instrument numbered 57584 on December 17, 1974, book 3937, page 183, of the Official Records of San Joaquin County, California, describing the following lands: That certain strip of land 125.00 feet in width, situate in the south half of section 36, township 4 north, range 6 east, Mount Diablo base and meridian, county of San Joaquin, State of California and described as follows:

A strip of land 125.00 feet wide lying contiguous to and easterly of a line parallel with and distant 75.00 feet easterly, measured at right angles, from the original located center line of Southern Pacific Transportation Company's main track (Stockton to Polk), and extending from that certain course described as "south 80 degrees 47 minutes west 200 feet, more or less" in the northerly boundary of the land described in deed dated July 13, 1967, from Southern Pacific Company to Jay Loveless recorded October 10, 1967, in book 3158, page 339, Official Records of San Joaquin County, northerly, to the northerly line of the 3.6-acre parcel of land described in deed dated May 22, 1915, from H. Bechthold et ux, to city of Lodi recorded June 25, 1915, in book "A", volume 266 of deeds, page 3, San Joaquin County Records, said northerly line being described in said deed as following the meanders of the southern bank of the Mokelumne River.

(5) The easement entered into between the Southern Pacific Transportation Company, grantor, and the city of Lodi, a municipal corporation, as grantee, for roadway purposes, on November 21, 1974, and recorded as instrument numbered 5528 on February 7, 1975, book 3952, page 203, of the Official Records of San Joaquin County, California, describing an easement upon the following property: That certain strip of land situate in the south half of section 36, township 4 north, range 6 east, Mount Diablo base and meridian, County of San Joaquin, State of California, and described as follows:

A strip of land 25.00 feet in width lying contiguous to and easterly of a line parallel and concentric with and distant 75.00 feet easterly, measured at right angles and radially, from the original located center line of Southern Pacific Transportation Company's main track (Stockton to Polk), and extending from the northerly line of the 20,480 square foot parcel of land described in Indenture dated August 24, 1960 from Southern Pacific Company to city of Lodi recorded September 12, 1960 in book 2334, page 421, San Joaquin County Records, northerly, to that certain course described as "south 80 degrees 47 minutes west 200 feet, more or less," in the northerly boundary of the land described in deed dated July 13, 1967, from Southern Pacific Company to Jay Loveless recorded October 10, 1967 in book 3158, page 339, Official Records of San Joaquin County, said 25.00 foot wide strip hereinabove described being also contiguous to and westerly of the westerly line of the 100.00 foot wide strip of land quitclaimed to Jay Loveless by said deed.

Reserving unto grantor, its successors and assigns, the right to construct, maintain, and use railroad, pipeline, communication, and transportation facilities in, upon, over, along, and across said property.

(6) The conveyance entered into between the Southern Pacific Transportation Company, grantor, and Edward W. Le Baron and Mable B. Le Baron, his wife, Donald Reynolds and Constance E. Reynolds, his wife, and Robert Reynolds and Carolyn W. Reynolds, his wife, as grantees on March 22, 1977, and recorded as instrument numbered 34048 on June 2, 1977, book 4267, page 458, of the official records of San Joaquin County, California, describing the following lands: That certain parcel of land situated in the southeast quarter of section 23 and southwest quarter of section 24, township 4 north, range 6 east, Mount Diablo base and meridian, County of San Joaquin, State of California, and more particularly described as follows:

Commencing at the point of intersection of a line parallel with and distant 30 feet westerly, measured at right angles, from the easterly line of Sycamore Street with the westerly prolongation of the northerly line of an alley in block 4, as said street, alley, and block are shown on the map of the town of Acampo;

thence south 88 degrees 36 minutes 00 seconds east, along said prolongation, said northerly line and its easterly prolongation, 474.05 feet to a point in the southwesterly line of land (400 feet wide) originally acquired by Central Pacific Railroad Company by virtue of Act of Congress dated July 1, 1862;

thence north 14 degrees 58 minutes 30 seconds west, along said southwesterly line, being parallel with and distant 200.0 feet southwesterly, measured at right angles, from the original location center line of main track (Tracy-Polk) now of the Southern Pacific Transportation Company, a distance of 860.18 feet to the northwesterly corner of the 1.343-acre parcel of land described in quitclaim deed dated November 4, 1974 from Southern Pacific Transportation Company to Calvin Clark III, recorded December 9, 1974 in book 3934, page 640, Official Records of San Joaquin County, and the true point of beginning of the parcel of land to be described;

thence continuing north 14 degrees 58 minutes 30 seconds west, along said southwesterly line, parallel with and distant 200.0 feet southwesterly, measured at right angles, from said center line of main track, a distance of 1,000 feet, more or less, to the north line of said southeast quarter of said section 23;

thence easterly along last said north line, 130.3 feet, more or less, to a point in a line parallel with and distant 74.08 feet southwesterly, measured at right angles, from said center line of said transportation company's main track;

thence south 14 degrees 58 minutes 30 seconds east, last said parallel line, 1,000 feet, more or less, to the northeasterly corner of said 1,343-acre parcel of land described in said deed dated November 4, 1974 to Calvin Clark III;

thence north 88 degrees 57 minutes west, along the northerly line of last said parcel, 131.02 feet to the true point of beginning, containing an area of 2.89 acres, more or less.

SEC. 103. (a) Nothing in this Act shall—

(1) diminish the right-of-way referred to in the first section of this Act to a width of less than fifty feet on each side of the center of the main track or tracks established and maintained by the Southern Pacific Company on the date of the enactment of this Act; or

(2) validate or confirm any right or title to, or interest in, the land referred to in the first section of this Act arising out of adverse possession, prescription, or abandonment, and not confirmed by conveyance made by the Southern Pacific Company before the date of the enactment of this Act.

(b) There is reserved to the United States all oil, coal, or other minerals in the land referred to in the first section of this Act, together with the right to prospect for, mine, and remove such oil, coal, or other minerals under such rules and regulations as the Secretary of the Interior may prescribe. Rules and regulations.

TITLE II—TO CONFIRM A CONVEYANCE OF CERTAIN REAL PROPERTY BY THE SOUTHERN PACIFIC RAILROAD COMPANY TO M. L. WICKS

SEC. 201. The conveyance described in section 202(a) of this Act involving certain real property in Los Angeles County, California, is hereby confirmed in the successors in interest to M. L. Wicks, the grantee in such conveyance, with respect to all interests of the United States in the rights to the real property described in section 202(b) of this Act. Portions of the real property described in such section 202(b) formed part of the right-of-way granted to the Southern Pacific Railroad Company, a corporation, by the United States by the Act entitled "An Act to incorporate the Texas Pacific Railroad Company, and to aid in the Construction of its Road, and for other purposes", approved March 3, 1871 (16 Stat. 573).

SEC. 202. (a) The conveyance confirmed by this Act was made by a deed dated May 4, 1887, by the Southern Pacific Railroad Company, a corporation, and D. O. Mills and Gerrit L. Lansing, Trustees, to M. L. Wicks and recorded on May 9, 1887, in the office of the county recorder of Los Angeles County, in the Book of Official Records, Book 222 at page 172.

(b) The real property referred to in the first section of this Act is certain real property in the northwest quarter of the northeast quarter of section 15, township 7 north, range 12 west, San Bernardino Meridian, in Los Angeles County, California, more particularly described as follows: Description.

Beginning at the intersection of the easterly line of Sierra Highway (formerly Antelope Avenue) 90 feet wide as shown on county surveyor's map numbered 8200 on file in the office of

the surveyor of said county with the easterly prolongation of the northerly line of Jackman Street (formerly 8th Street); thence easterly along said prolongation to the westerly line of the right-of-way, 100 feet wide, as reserved in that certain deed dated May 4, 1887, from Southern Pacific Railroad Company, a corporation, and D. O. Mills and Gerrit L. Lansing, trustees to M. L. Wicks, recorded May 9, 1887, in Book 222 at page 172, official records of said county; thence northerly along said westerly right-of-way line 624.34 feet more or less to the southerly line of Avenue I (formerly Sierra Madre Road); thence westerly along said southerly line of Avenue I to the easterly line of said Sierra Highway; thence southerly along said easterly line of Sierra Highway to the point of beginning.

SEC. 203. (a) Nothing in this Act shall—

Right-of-way.

(1) diminish the right-of-way referred to in the first section of this Act to a width of less than 50 feet on each side of the center of the main tract or tracts established and maintained by the Southern Pacific Company on the date of the enactment of this Act; or

(2) validate or confirm any right or title to, or interest in, the land referred to in the first section of this Act arising out of adverse possession, prescription, or abandonment, and not confirmed by conveyance made by the Southern Pacific Company before the date of the enactment of this Act.

Rules and regulations.

(b) There is reserved to the United States all oil, coal, or other minerals in the land referred to in the first section of this Act, together with the right to prospect for, mine, and remove such oil, coal, or other minerals under such rules and regulations as the Secretary of the Interior may prescribe.

TITLE III—TO PROVIDE FOR THE CONVEYANCE OF CERTAIN PUBLIC LANDS IN MONTANA TO THE OCCUPANTS OF THE LAND

SEC. 301. The Secretary of the Interior is hereby authorized to convey to Francis T. Oleson and Zona I. Oleson, husband and wife; Dan Raymond and Elizabeth Louise Raymond, husband and wife; and Edward J. Bonderenko or their successors in interest, all right, title, and interest of the United States, except right, title, and interest in deposits of all minerals, in lands identified as tracts numbered 1, 2, and 3 in that part of the west half, southwest quarter of the northwest quarter, section 2, township 10 north, range 1 west, Montana principal meridian Lewis and Clark County, Montana, lying east of the "Erroneous Survey Line", lying north of the county road right-of-way as shown on Bureau of Reclamation drawing number 296-604-170, dated September 24, 1971, and as determined available for sale by the Secretary of the Interior. Such conveyance shall be made only upon applications by such aforementioned individuals therefor within six months after the date of this Act, and upon payment of the appraised fair market value of the land as of the date of sale plus the administrative costs, including costs of a land survey, of making the conveyance, as determined by the Secretary of the Interior within one year after notification by the Secretary of the Interior of the amount due. In determining the fair market value of the land, the Secretary of the Interior shall not include any values added to the land by Francis T. Oleson and Zona I. Oleson, husband and wife; Dan Raymond and Elizabeth Louise Raymond, hus-

band and wife; and Edward J. Bonderenko or their successors in interest, or their heirs. Any conveyance made pursuant to this Act shall reserve to the United States all deposits of all minerals in the lands together with the right to mine and remove the same, under applicable laws and regulations established by the Secretary of the Interior.

Waiver.

SEC. 302. Acceptance of Francis T. Oleson and Zona I. Oleson, husband and wife; Dan Raymond and Elizabeth Louise Raymond, husband and wife; and Edward J. Bonderenko or their successors in interest of any conveyance made hereunder shall constitute a waiver and release by them of any and all claims against the United States arising out of the operation, maintenance, or construction of the Canyon Ferry Unit, Pick-Sloan Missouri Basin program, as now or hereafter authorized.

TITLE IV—TO AUTHORIZE THE SECRETARY OF THE INTERIOR TO CONVEY ALL RIGHT, TITLE, AND INTEREST OF THE UNITED STATES IN AND TO A TRACT OF LAND LOCATED IN THE FAIRBANKS RECORDING DISTRICT, STATE OF ALASKA, TO THE FAIRBANKS NORTH STAR BOROUGH

SEC. 401. The Secretary of the Interior is authorized to convey all right, title, and interest of the United States in and to the following described real property, located in the Fairbanks Recording District, to the Fairbanks North Star Borough without payment of consideration:

THE WEST PORTION OF BLOCK 209

A tract of land situated in the northwest quarter section 15, township 1 south, range 1 west, F.B. and M., also known as United States Survey 849 of the Homstead Claim of Stacia Rickert described as follows:

Commencing at corner number 3, United States Survey Numbered 849, thence south 89 degrees 57 minutes 14 seconds east, a distance of 2,300 feet, more or less; along a southerly line of said survey numbered 849 which lies between corners numbered 2 and 3; thence south 89 degrees 57 minutes 09 seconds east, a distance of 30 feet, more or less; thence north 0 degree 56 minutes 34 seconds west, a distance of 10 feet, more or less; to the true point of beginning; thence north 0 degree 56 minutes 34 seconds west, a distance of 337 feet, more or less; thence south 89 degrees 52 minutes 43 seconds east, a distance of 518 feet, more or less; thence south 0 degree 07 minutes 17 seconds west, a distance of 337 feet, more or less; thence north 89 degrees 57 minutes 09 seconds west, a distance of 510 feet, more or less, to the true point of beginning, and containing 173,218 square feet, more or less.

TITLE V—PROVIDING FOR REINSTATEMENT AND VALIDATION OF UNITED STATES OIL AND GAS LEASES NUMBERED U-12871, U-12872, U-12874, U-12875, U-12876, U-12877, U-12878, U-12881, AND U-13666

SEC. 501. Notwithstanding any decision to the contrary heretofore made by the Secretary of the Interior of the United States or his authorized agents or representatives, subject to the requirements of section 502 of this Act:

(a) United States oil and gas leases numbered U-12871, U-12872, U-12874, U-12875, U-12876, U-12877, U-12878, and U-12881 shall be held not to have terminated by operation of law or otherwise on December 1, 1975, but shall be deemed to be in full force and effect for the term of said leases provided that rentals for subsequent years are paid or tendered within the time required by law and the terms of such leases.

(b) United States oil and gas lease numbered U-13666 shall be held not to have terminated by operation of law, or otherwise on April 1, 1976, and the term of said lease is hereby extended to a date twenty-four months after the effective date of this Act and so long thereafter as oil or gas is produced in paying quantities, provided that rentals for subsequent years are paid or tendered within the time required by law and the terms of such lease.

SEC. 502. Within thirty days after the effective date of this Act, the Secretary shall give notice to the last record holder of the oil and gas leases listed in the first section of this Act of the amount of unpaid rental then accrued under said leases or that would have accrued had the leases not terminated. Within thirty days after receipt of such written notice, the last record holder of such leases, their successors or assigns, shall tender payment of the amount of rental to the Secretary. If payment is not made within the required time, the provisions of this Act shall terminate and be of no force and effect with respect to those leases for which payment was not made.

Termination.

TITLE VI—FOR THE RELIEF OF MARIAN LAW SHALE HOLLOWAY, ADELINE MARY GILL CHARLES, AND ELIZA SHALE CARSTENS

SEC. 601. (a) Notwithstanding any other provision of law, the Secretary of the Interior is authorized and directed to pay, out of any money appropriated to the Department of the Interior, to Marian Law Shale Holloway, Adeline Mary Gill Charles, and Eliza Shale Carstens (or to their estates) such sums as he determines each is legally and equitably entitled to as compensation for losses (including reasonable attorney fees) resulting from his erroneous approval of purported conveyances of parts or all of lot 6, section 35, township 24 north, range 13 west, Willamette meridian, containing eighteen and seventy-five hundredths acres, more or less, according to the Government survey thereof, such property being a portion of the allotment of Hattie Smith, deceased, Quinault allottee numbered 420, and which is not subject to homestead entry. Such property is situated in Jefferson County, State of Washington on the Quinault Indian Reservation.

(b) The payment and acceptance of such compensation pursuant to this Act shall be in full satisfaction of all claims (1) of the said Marian Law Shale Holloway, Adeline Mary Gill Charles, and Eliza Shale Carstens, against the United States or any officer or employee thereof arising out of or in connection with the purported conveyances of such property or portions thereof approved by or on behalf of the Secretary of the Interior on February 19, 1951, September 3, 1953, and April 19, 1955, and (2) by Adeline Mary Gill Charles and Eliza Shale Carstens against Marian Law Shale Holloway arising out of or in connection with the purported conveyances of portions of such property approved by or on behalf of the Secretary of the Interior on September 3, 1953, and April 19, 1955.

(c) As a condition precedent to receiving payment of such compensation pursuant to this Act, the said Marian Law Shale Holloway, Adeline Mary Gill Charles, and Eliza Shale Carstens (or the executors of their estates) shall execute such releases and other documents as the Secretary of the Interior determines are necessary to fulfill the purpose of this Act and remove any cloud on the title of such property.

SEC. 602. No part of the amount appropriated by this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Violation of the provisions of this section is a misdemeanor punishable by a fine not to exceed $1,000. Penalty.

TITLE VII—GOSPEL-HUMP AREA BOUNDARY CHANGES

SEC. 701. Section 4(a)(1) of the Act of February 24, 1978 (16 U.S.C. 1132, Public Law 95-237) is amended by striking the words "January 1978" and inserting in lieu thereof "September 1978". *Ante*, p. 43.

TITLE VIII—KALMIOPSIS WILDERNESS MAP DESIGNATION

SEC. 801. Section 3 of the Endangered American Wilderness Act of 1978, Public Law 95-237 (92 Stat. 43) is amended by adding a new subsection (f) as follows: 16 USC 1132 note.

"(f) The map referenced in paragraph (a) of this section, depicting the boundaries of the Kalmiopsis Wilderness Additions is superseded by a map entitled 'Kalmiopsis Wilderness Additions—Proposed' and dated October 1978, which is on file and available for public inspection in the office of the Chief of the Forest Service.".

TITLE IX—FRYINGPAN-ARKANSAS RECLAMATION PROJECT

SEC. 901. Subsection (a) of section 1 of the Act of August 16, 1962 (76 Stat. 389; 43 U.S.C. 616 et seq.), is amended by inserting after the words "Ruedi Dam and Reservoir, Colorado," the words "and as further modified and described in the description of the proposal contained in the final environmental statement for said project, dated April 16, 1975,".

SEC. 902. Subsection (e) of section 5 of such Act is amended by inserting after the word "therein" a comma and the words "including those laws of the State of Colorado relating to the establishment of minimum streamflows for the reasonable protection of the natural environment, to the extent that such laws are not inconsistent with the operating principles identified in subsection 3(a) of this Act". 43 USC 616d.

SEC. 903. Subsection (a) of section 3 of such Act is amended by inserting after the word "Congress" a semicolon and the words "and shall be further operated pursuant to diversion rates established under the laws of the State of Colorado: *Provided*, That the rate of project diversions from the Hunter Creek watershed shall not exceed an aggregate of 270 cubic feet of water per second of time. Waters so diverted may be utilized for all authorized project purposes as set forth in section 1(a) of this Act. Such waters, exclusive of the amount diverted for Roaring Fork exchanges provided for in subparagraph 9(1)(c) and paragraph 11 of the above referenced operating prin- 43 USC 616a.

ciples shall become part of the project water supply as limited by subparagraph 9(1)(a) of the above referenced operating principles. No diversions shall be made from the Hunter Creek watershed which will reduce the remaining streamflows at the points of diversion to less than 4 cubic feet per second on No Name Creek, 5 cubic feet per second on Midway Creek, and 12 cubic feet per second on Hunter Creek".

TITLE X—TO CONVEY CERTAIN GEOTHERMAL RESOURCES TO THE CITY OF BOISE, IDAHO

SEC. 1001. (a) The Congress hereby authorizes and directs that the rights to the geothermal resources, including minerals present in the geothermal fluid, presently vested in the United States of America in real property designated as Tract 37 (contained in secs. 2 and 11) consisting of 4.13 acres, more or less; Tract 38 (contained in secs. 1, 2, 11 and 12) consisting of 449.16 acres more or less; Tract 39 (contained in sec. 2) consisting of 14.64 acres, more or less; and Tract 40 (contained in sec. 11) consisting of 4.95 acres, more or less: all in T. 3N., R. 2E., B.M.; together with a parcel described as follows: Commencing at the southwest corner of the Old Fort Boise Military Reservation, thence north seventy degrees zero minutes east one thousand four hundred forty-eight and two-tenths feet; thence north four degrees thirty-two minutes east six hundred and twenty-seven feet to the true point of beginning; thence the following courses and distances: South eighty-seven degrees eight minutes west six hundred ninety-six and five-tenths feet; thence north twenty-one degrees two minutes west five hundred and thirty-two feet; thence south sixty-nine degrees four minutes west twenty-one and nine-tenths feet; thence north twenty-two degrees forty minutes west eighty-six and three-tenths feet; thence north eighty-four degrees fifty minutes east nine hundred ninety-three and six-tenths feet; thence south four degrees thirty-two minutes west six hundred twenty-four and ninety-five one-hundredths feet to the point of beginning; consisting of 11.53 acres, more or less (contained in sec. 11, T. #N., R. 2E., B.M.); be transferred by the Secretary of the Interior in fee to the City of Boise upon payment by the City of Boise of the fair market value, as determined by the Secretary, of the rights conveyed.

(b) Development of geothermal resources pursuant to this Act shall not be grounds for the Secretary of the Interior to assert the reversionary interest of the United States in the subject lands.

SEC. 1002. Development of the geothermal resources conveyed by this Act shall not unreasonably interfere with development of other mineral interests retained by the United States. The City of Boise shall permit the United States, its lessees and agents access for exploration of mineral resources not conveyed to the City.

TITLE XI—TO ADD CERTAIN LANDS TO THE TARGHEE NATIONAL FOREST, IDAHO

Boundaries modification.

SEC. 1101. The boundaries of the Targhee National Forest in Idaho are hereby modified to include within said national forest the following described lands: S½SW¼; W½SE¼; and SE¼NE¼, all in Section 26, Township 13 North, Range 42 East, Boise Meridian, in Fremont County, Idaho.

TITLE XII—GRAND CANYON NATIONAL PARK

The Act of February 26, 1916 (40 Stat. 1177; 16 U.S.C. 222) is amended by adding the following sentence: "Under such terms and conditions as he deems advisable and consistent with the requirements of section 483a of title 31 hereof, the Secretary is authorized, without derogation of any of the water rights of the United States and notwithstanding any provision of law to the contrary, to sell by contract water located within Grand Canyon National Park for the use of customers within Tusayan, Arizona, to a nonprofit entity authorized to receive and distribute water within Tusayan, Arizona by the laws of the State of Arizona, upon his determination that such sale is not detrimental to the protection of the resources of Grand Canyon National Park or its visitors and that appropriate measures to provide for such protection, including a right of immediate termination, are included in the transaction.". 31 USC 483a.

Approved November 3, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1008 (Comm. on Interior and Insular Affairs).
SENATE REPORT No. 95-1287 (Comm. on Energy and Natural Resources).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Apr. 18, considered and passed House.
Oct. 12, considered and passed Senate, amended.
Oct. 14, House concurred in Senate amendments.

Public Law 95-587
95th Congress

An Act

Nov. 3, 1978
[H.R. 7101]

To amend certain provisions of law relating to land claims by the United States in Riverside County, California, based upon the accretion or avulsion, and for other purposes.

Riverside County, Calif., land claims by U.S.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act of October 23, 1970, entitled "An Act to render the assertion of land claims by the United States based upon accretion or avulsion subject to legal and equitable defenses to which private persons asserting such claims would be subject" (84 Stat. 1106; Public Law 91-505) is amended by striking out "13.17" and inserting in lieu thereof "13.19".

Approved November 3, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1018 (Comm. on Interior and Insular Affairs).
SENATE REPORT No. 95-1286 (Comm. on Energy and Natural Resources).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Apr. 11, considered and passed House.
Oct. 12, considered and passed Senate.

Public Law 95-588
95th Congress

An Act

Nov. 4, 1978
[H.R. 10173]

To amend title 38, United States Code, to provide improvements in the pension program for certain veterans of a period of war with non-service-connected disabilities, for certain surviving spouses of veterans of a period of war, and for certain surviving children of veterans of a period of war, to increase the rates of dependency and indemnity compensation for surviving parents of certain veterans, to provide for automatic annual cost-of-living adjustments in the rates of pension and in the rates of parents' dependency and indemnity compensation, to prevent reductions in and terminations of pension and terminations of parents' dependency and indemnity compensation solely attributable to cost-of-living increases in social security benefits, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' and Survivors' Pension Improvement Act of 1978".

Veterans' and Survivors' Pension Improvement Act of 1978.
38 USC 101 note.

TITLE I—PENSION FOR VETERANS AND SURVIVORS

DEFINITION OF "PERIOD OF WAR"

SEC. 101. Section 501 of title 38, United States Code, is amended by adding at the end thereof the following new paragraph:

"(4) The term 'period of war' means the Mexican border period, World War I, World War II, the Korean conflict, the Vietnam era, and the period beginning on the date of any future declaration of war by the Congress and ending on the date prescribed by Presidential proclamation or concurrent resolution of the Congress.".

INCOME EXCLUSIONS

SEC. 102. (a) Subsection (a) of section 503 of title 38, United States Code, is amended by—

(1) striking out clause (1);
(2) redesignating clause (2) as clause (1);
(3) redesignating clause (3) as clause (2) and striking out the comma and "and chapters 11 and 13 (except section 412(a)) of this title" in such clause;
(4) striking out clauses (4), (5), and (6);
(5) redesignating clause (7) as clause (3);
(6) inserting after such clause the following new clause:
"(4) amounts equal to amounts paid—
"(A) by a veteran for the last illness and burial of such veteran's deceased spouse or child, or
"(B) by the spouse of a living veteran or the surviving spouse of a deceased veteran for the last illness and burial of a child of such veteran;";
(7) redesignating clause (8) as clause (5);
(8) striking out clause (9);
(9) redesignating clause (10) as clause (6);
(10) striking out clauses (11), (12), (13), and (14);
(11) redesignating clause (15) as clause (7);

(12) striking out clauses (16) and (17); and

(13) adding at the end of such subsection the following new clauses:

"(8) amounts equal to amounts paid by a veteran, veterans' spouse, or surviving spouse or by or on behalf of a veteran's child for unreimbursed medical expenses, to the extent that such amounts exceed 5 per centum of the maximum annual rate of pension (including any amount of increased pension payable on account of family members but not including any amount of pension payable because a person is in need of regular aid and attendance or because a person is permanently housebound) payable to such veteran, surviving spouse, or child;

"(9) in the case of a veteran or surviving spouse pursuing a course of education or vocational rehabilitation or training, amounts equal to amounts paid by such veteran or surviving spouse for such course of education or vocational rehabilitation or training, including (A) amounts paid for tuition, fees, books, and materials, and (B) in the case of such a veteran or surviving spouse in need of regular aid and attendance, unreimbursed amounts paid for unusual transportation expenses in connection with the pursuit of such course of education or vocational rehabilitation or training, to the extent that such amounts exceed the reasonable expenses which would have been incurred by a nondisabled person using an appropriate means of transportation (public transportation, if reasonably available); and

"(10) in the case of a child, any current-work income received during the year, to the extent that the total amount of such income does not exceed an amount equal to the sum of—

"(A) the lowest amount of gross income for which an income tax return is required under section 6012(a) of the Internal Revenue Code of 1954, to be filed by an individual who is not married (as determined under section 143 of such Code), is not a surviving spouse (as defined in section 2(a) of such Code), and is not a head of household (as defined in section 2(b) of such Code); and

26 USC 6012.

26 USC 143.

26 USC 2.

"(B) if the child is pursuing a course of postsecondary education or vocational rehabilitation or training, the amount paid by such child for such course of education or vocational rehabilitation or training, including the amount paid for tuition, fees, books, and materials.".

Repeal.

(b) Subsection (c) of such section is repealed.

INCOME AND NET WORTH REPORTS

SEC. 103. Subsection (a) of section 506 of title 38, United States Code, is amended to read as follows:

"(a) As a condition of granting or continuing pension under section 521, 541, or 542 of this title, the Administrator—

Condition.

Post, pp. 2500, 2503, 2504.

"(1) may require from any person who is an applicant for or a recipient of pension such information, proofs, and evidence as the Administrator determines to be necessary in order to determine the annual income and the value of the corpus of the estate of such person, and of any spouse or child for whom the person is receiving or is to receive increased pension (such a child is hereinafter in this subsection referred to as a 'dependent child'), and, in the case of a child applying for or in receipt of pension under section 542 of this title (hereinafter in this subsection referred to

as a 'surviving child'), of any person with whom such child is residing who is legally responsible for such child's support;

"(2) shall require that any such applicant or recipient file each year with the Veterans' Administration (on such form as may be prescribed for such purpose by the Administrator) a report showing—

"(A) the annual income which such applicant or recipient (and any such spouse or dependent child) received during the preceding year, the corpus of the estate of such applicant or recipient (and of any such spouse or dependent child) at the end of such year, and in the case of a surviving child, the income and corpus of the estate of any person with whom such child is residing who is legally responsible for such child's support;

"(B) such applicant's or recipient's estimate for the then current year of the annual income such applicant or recipient (and any such spouse or dependent child) expects to receive and of any expected increase in the value of the corpus of the estate of such applicant or recipient (and for any such spouse or dependent child); and

"(C) in the case of a surviving child, an estimate for the then current year of the annual income of any person with whom such child is residing who is legally responsible for such child's support and of any expected increase in the value of the corpus of the estate of such person;

"(3) shall require that any such applicant or recipient promptly file a revised report whenever there is a material change in the estimated annual income of such applicant or recipient (or of any such spouse or dependent child) or a material change in such applicant's or recipient's estimate of the value of the corpus of the estate of such applicant or recipient (or of any such spouse or dependent child), and in the case of a surviving child, a material change in the estimated annual income or value of the corpus of the estate of any person with whom such child is residing who is legally responsible for such child's support; and

"(4) shall require that any such applicant or recipient applying for or in receipt of increased pension on account of a person who is a spouse or child of such applicant or recipient promptly notify the Administrator if such person ceases to meet the applicable definition of spouse or child.". Notification.

FREQUENCY OF PAYMENT OF PENSION BENEFITS

SEC. 104. (a) Chapter 15 of title 38, United States Code, is amended by inserting after section 507 the following new section: 38 USC 501.

"§ 508. Frequency of payment of pension benefits 38 USC 508.

"(a) Except as provided under subsection (b) of this section, benefits under sections 521, 541, and 542 of this title shall be paid monthly. *Post*, pp. 2500, 2503, 2504.

"(b) Under regulations which the Administrator shall prescribe, benefits under sections 521, 541, and 542 of this title may be paid less frequently than monthly if the amount of the annual benefit is less than 4 per centum of the maximum annual rate payable to a veteran under section 521(b) of this title.".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 507 a new item as follows:

"508. Frequency of payment of pension benefits.".

PENSION FOR SPANISH-AMERICAN WAR VETERANS

SEC. 105. Paragraph (3) of section 512(a) of title 38, United States Code, is amended—

(1) in subparagraph (A)—

(A) by inserting "(except the rate provided under subsection (g) of such section)" after "of this title";

(B) by striking out "World War I" and inserting in lieu thereof "a period of war"; and

(C) by striking out the comma and "except as provided in subparagraph (B)" in the second sentence of such subparagraph; and

Regulations.

(2) in subparagraph (B), by striking out "if such veteran" and all that follows in the first sentence and inserting in lieu thereof a comma and "as in effect on December 31, 1978, under regulations which the Administrator shall prescribe.".

PENSION OF VETERANS OF A PERIOD OF WAR

SEC. 106. (a) Section 521 of title 38, United States Code, is amended to read as follows:

"§ 521. Veterans of a period of war

"(a) The Administrator shall pay to each veteran of a period of war who meets the service requirements of this section (as prescribed in subsection (j) of this section) and who is permanently and totally disabled from non-service-connected disability not the result of the veteran's willful misconduct, pension at the rate prescribed by this section, as increased from time to time under section 3112 of this title.

"(b) If the veteran is unmarried (or married but not living with or reasonably contributing to the support of such veteran's spouse) and there is no child of the veteran in the custody of the veteran or to whose support the veteran is reasonably contributing, and unless the veteran is entitled to pension at the rate provided by subsection (d)(1) or (e) of this section, pension shall be paid to the veteran at the annual rate of $3,550, reduced by the amount of the veteran's annual income.

"(c) If the veteran is married and living with or reasonably contributing to the support of such veteran's spouse, or if there is a child of the veteran in the custody of the veteran or to whose support the veteran is reasonably contributing, pension shall be paid to the veteran at the annual rate of $4,651, unless the veteran is entitled to pension at the rate provided by subsection (d)(2), (e), or (f) of this section. If the veteran has two or more such family members, such annual rate shall be increased by $600 for each such family member in excess of one. The rate payable shall be reduced by the amount of the veteran's annual income and, subject to subsection (h)(1) of this section, the amount of annual income of such family members.

"(d)(1) If the veteran is in need of regular aid and attendance, the annual rate of pension payable to the veteran under subsection (b) of this section shall be $5,680, reduced by the amount of the veteran's annual income.

"(2) If the veteran is in need of regular aid and attendance, the annual rate of pension payable to the veteran under subsection (c) of this section shall be $6,781. If such veteran has two or more family members, as described in subsection (c) of this section, the annual rate of pension shall be increased by $600 for each such family member in excess of one. The rate payable shall be reduced by the amount of

the veteran's annual income and, subject to subsection (h)(1) of this section, the amount of annual income of such family members.

"(e) If the veteran has a disability rated as permanent and total and (1) has additional disability or disabilities independently ratable at 60 per centum or more, or (2) by reason of a disability or disabilities, is permanently housebound but does not qualify for pension at the aid and attendance rate provided by subsection (d) of this section, the annual rate of pension payable to the veteran under subsection (b) of this section shall be $4,340 and the annual rate of pension payable to the veteran under subsection (c) of this section shall be $5,441. If such veteran has two or more family members, as described in subsection (c) of this section, the annual rate of pension shall be increased by $600 for each such family member in excess of one. The rate payable shall be reduced by the amount of the veteran's annual income and, subject to subsection (h)(1) of this section, the annual income of such family members.

"(f)(1) If two veterans are married to one another and each meets the disability and service requirements prescribed in subsections (a) and (j), respectively, of this section, the annual rate of pension payable to such veterans shall be a combined annual rate of $4,651.

"(2) If either such veteran is in need of regular aid and attendance, the annual rate provided by paragraph (1) of this subsection shall be $6,781. If both such veterans are in need of regular aid and attendance, such rate shall be $8,911.

"(3) If either such veteran would be entitled (if not married to a veteran) to pension at the rate provided by subsection (e) of this section, the annual rate provided by paragraph (1) of this subsection shall be $5,441. If both such veterans would be entitled (if not married to one another) to such rate, such rate shall be $6,231.

"(4) If one such veteran is in need of regular aid and attendance and the other would be entitled (if not married to a veteran) to the rate provided for under subsection (e) of this section, the annual rate provided by paragraph (1) of this subsection shall be $7,571.

"(5) The annual rate provided by paragraph (1), (2), (3), or (4) of this subsection, as appropriate, shall (A) be increased by $600 for each child of such veterans (or of either such veteran) who is in the custody of either or both such veterans or to whose support either such veteran is, or both such veterans are, reasonably contributing, and (B) be reduced by the amount of the annual income of both such veterans and, subject to subsection (h)(1) of this section, the annual income of each such child.

"(g) The annual rate of pension payable under subsection (b), (c), (d), (e), or (f) of this section to any veteran who is a veteran of a period of war shall be increased by $800 if veterans of such period of war were not provided educational benefits or home loan benefits similar to those provided to veterans of later periods of war under chapters 34 and 37, respectively, of this title or under prior corresponding provisions of law. 38 USC 1651, 1801.

"(h) For the purposes of this section:

"(1) In determining the annual income of a veteran, if there is a child of the veteran who is in the custody of the veteran or to whose support the veteran is reasonably contributing, that portion of the annual income of the child that is reasonably available to or for the veteran shall be considered to be income of the veteran, unless in the judgment of the Administrator to do so would work a hardship on the veteran.

"(2) A veteran shall be considered as living with a spouse, even though they reside apart, unless they are estranged.

"(i) If the veteran is entitled under this section to pension on the basis of such veteran's own service and is also entitled to pension on the basis of any other person's service, the Administrator shall pay such veteran only the greater benefit.

"(j) A veteran meets the service requirements of this section if such veteran served in the active military, naval, or air service—

"(1) for ninety days or more during a period of war;

"(2) during a period of war and was discharged or released from such service for a service-connected disability;

"(3) for a period of ninety consecutive days or more and such period began or ended during a period of war; or

"(4) for an aggregate of ninety days or more in two or more separate periods of service during more than one period of war.".

(b) The item relating to section 521 in the table of sections at the beginning of chapter 15 of such title is amended to read as follows:

38 USC 501.

"521. Veterans of a period of war.".

VETERANS' NET WORTH LIMITATION

SEC. 107. Section 522 of title 38, United States Code, is amended to read as follows:

"§ 522. Net worth limitation

Pension payments, denial or discontinuation. *Ante*, p. 2500.

"(a) The Administrator shall deny or discontinue the payment of pension to a veteran under section 521 of this title when the corpus of the estate of the veteran or, if the veteran has a spouse, the corpus of the estates of the veteran and of the veteran's spouse is such that under all the circumstances, including consideration of the annual income of the veteran, the veteran's spouse, and the veteran's children, it is reasonable that some part of the corpus of such estates be consumed for the veteran's maintenance.

"(b) The Administrator shall deny or discontinue the payment of increased pension under subsection (c), (d), (e), or (f) of section 521 of this title on account of a child when the corpus of such child's estate is such that under all the circumstances, including consideration of the veteran's and spouse's income, and the income of the veteran's children, it is reasonable that some part of the corpus of such child's estate be consumed for the child's maintenance. During the period such denial or discontinuance remains in effect, such child shall not be considered as the veteran's child for purposes of this chapter.".

PENSION FOR SURVIVING SPOUSES OF SPANISH-AMERICAN WAR VETERANS

SEC. 108. Subsection (d) of section 536 of title 38, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking out "World War I" and inserting in lieu thereof "a period of war"; and

(B) by striking out the comma and "except as provided in paragraph (2)" in the second sentence of such paragraph; and

(2) in paragraph (2)—

(A) by inserting a comma and "as in effect on December 31, 1978" after "of this title" both places it appears; and

(B) by inserting a comma and "as in effect on such date" after "such section 544".

PENSION FOR SURVIVING SPOUSES OF VETERANS OF A PERIOD OF WAR

SEC. 109. (a) Section 541 of title 38, United States Code, is amended to read as follows:

"§ 541. Surviving spouses of veterans of a period of war

"(a) The Administrator shall pay to the surviving spouse of each veteran of a period of war who met the service requirements prescribed in section 521(j) of this title, or who at the time of death was receiving (or entitled to receive) compensation or retirement pay for a service-connected disability, pension at the rate prescribed by this section, as increased from time to time under section 3112 of this title. *Ante*, p. 2500.

"(b) If no child of the veteran is in the custody of the surviving spouse, pension shall be paid to the surviving spouse at the annual rate of $2,379, reduced by the amount of the surviving spouse's annual income.

"(c) If there is a child of the veteran in the custody of the surviving spouse, pension shall be paid to the surviving spouse at the annual rate of $3,116. If the surviving spouse has custody of two or more such children, the annual pension rate shall be increased by $600 for each such child in excess of one. In each case, the rate payable shall be reduced by the amount of the surviving spouse's annual income and, subject to subsection (g) of this section, the annual income of each such child.

"(d)(1) If a surviving spouse who is entitled to pension under subsection (b) of this section is in need of regular aid and attendance, the annual rate of pension payable to such surviving spouse shall be $3,806, reduced by the amount of the surviving spouse's annual income.

"(2) If a surviving spouse who is entitled to pension under subsection (c) of this section is in need of regular aid and attendance, the annual rate of pension payable to the surviving spouse shall be $4,543. If there are two or more children of the veteran in such surviving spouse's custody, the annual rate of pension shall be increased by $600 for each such child in excess of one. The rate payable shall be reduced by the amount of the surviving spouse's annual income and, subject to subsection (g) of this section, the annual income of each such child.

"(e)(1) If the surviving spouse is permanently housebound but does not qualify for pension at the aid and attendance rate provided by subsection (d) of this section, the annual rate of pension payable to such surviving spouse under subsection (b) of this section shall be $2,908 and the annual rate of pension payable to such surviving spouse under subsection (c) of this section shall be $3,645. If there are two or more children of the veteran in such surviving spouse's custody, the annual rate of pension shall be increased by $600 for each such child in excess of one. The rate payable shall be reduced by the amount of the surviving spouse's annual income and, subject to subsection (g) of this section, the income of any child of the veteran for whom the surviving spouse is receiving increased pension.

"(2) For purposes of paragraph (1) of this subsection, the requirement of 'permanently housebound' shall be met when the surviving spouse is substantially confined to such surviving spouse's house (ward or clinical areas, if institutionalized) or immediate premises by reason of a disability or disabilities reasonably certain to remain throughout such surviving spouse's lifetime. "Permanently housebound."

"(f) No pension shall be paid under this section to a surviving spouse of a veteran unless the spouse was married to the veteran—

"(1) before (A) December 14, 1944, in the case of a surviving spouse of a Mexican border period or World War I veteran, (B) January 1, 1957, in the case of a surviving spouse of a World War II veteran, (C) February 1, 1965, in the case of a surviving spouse of a Korean conflict veteran, or (D) May 8, 1985, in the case of a surviving spouse of a Vietnam era veteran;

"(2) for one year or more; or

"(3) for any period of time if a child was born of the marriage, or was born to them before the marriage.

"(g) In determining the annual income of a surviving spouse for the purposes of this section, if there is a child of the veteran in the custody of the surviving spouse, that portion of the annual income of the child that is reasonably available to or for the surviving spouse shall be considered to be income of the surviving spouse, unless in the judgment of the Administrator to do so would work a hardship on the surviving spouse.

"Veteran." "(h) As used in this section and section 542 of this title, the term 'veteran' includes a person who has completed at least two years of honorable active military, naval, or air service, as certified by the Secretary concerned, but whose death in such service was not in line of duty.".

38 USC 501. (b) The item relating to section 541 in the table of sections at the beginning of chapter 15 of such title is amended to read as follows:

"541. Surviving spouses of veterans of a period of war.".

PENSION FOR CHILDREN OF VETERANS OF A PERIOD OF WAR

SEC. 110. (a) Section 542 of title 38, United States Code, is amended to read as follows:

"§ 542. Children of veterans of a period of war

"The Administrator shall pay to each child (1) who is the child of a deceased veteran of a period of war who met the service requirements prescribed in section 521(j) of this title, or who at the time of death was receiving (or entitled to receive) compensation or retirement pay for a service-connected disability, and (2) who is not in the custody of a surviving spouse eligible for pension under section 541 of this title, pension at the annual rate of $600, as increased from time to time under section 3112 of this title and reduced by the amount of such child's annual income; or, if such child is residing with a person who is legally responsible for such child's support, at an annual rate equal to the amount by which the appropriate annual rate provided under section 541(c) of this title exceeds the sum of the annual income of such child and such person, but in no event may such annual rate of pension exceed the amount by which $600, as increased from time to time under section 3112 of this title, exceeds the annual income of such child. The appropriate annual rate under such section 541(c) for the purposes of the preceding sentence shall be determined in accordance with regulations which the Administrator shall prescribe.".

Ante, p. 2500.

(b) The item relating to section 542 in the table of sections at the beginning of chapter 15 of such title is amended to read as follows:

"542. Children of veterans of a period of war.".

SURVIVORS' NET WORTH LIMITATION

SEC. 111. Section 543 of title 38, United States Code, is amended to read as follows:

"§ 543. Net worth limitation

"(a)(1) The Administrator shall deny or discontinue payment of pension to a surviving spouse under section 541 of this title when the corpus of the estate of the surviving spouse is such that under all the circumstances, including consideration of the income of the surviving spouse and the income of any child from whom the surviving spouse is receiving increased pension, it is reasonable that some part of the corpus of such estate be consumed for the surviving spouse's maintenance. Pension payments, denial or discontinuation. *Ante*, p. 2503.

"(2) The Administrator shall deny or discontinue the payment of increased pension under subsection (c), (d), or (e) of section 541 of this title on account of a child when the corpus of such child's estate is such that under all the circumstances, including consideration of the income of the surviving spouse and such child and the income of any other child for whom the surviving spouse is receiving increased pension, it is reasonable that some part of the corpus of the child's estate be consumed for the child's maintenance. During the period such denial or discontinuance remains in effect, such child shall not be considered as the surviving spouse's child for purposes of this chapter.

"(b) The Administrator shall deny or discontinue payment of pension to a child under section 542 of this title when the corpus of the estate of the child is such that under all the circumstances, including consideration of the income of the child, the income of any person with whom such child is residing who is legally responsible for such child's support, and the corpus of the estate of such person, it is reasonable that some part of the corpus of such estates be consumed for the child's maintenance.". *Ante*, p. 2504.

CONFORMING AMENDMENT RELATING TO SURVIVING SPOUSES' PENSION

SEC. 112. (a)(1) Section 544 of title 38, United States Code, is repealed. Repeal.

(2) Chapter 15 of such title is amended by striking out the heading below section 543 of such chapter. 38 USC 501.

(b) The table of sections at the beginning of chapter 15 of such title is amended by striking out the item below the item relating to section 543 and by striking out the item relating to section 544.

TITLE II—DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING PARENTS

DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING PARENTS

SEC. 201. (a)(1) Paragraph (1) of subsection (b) of section 415 of title 38, United States Code, is amended to read as follows:

"(1) Except as provided in paragraph (4) of this subsection, if there is only one parent, the monthly rate of dependency and indemnity compensation paid to such parent shall be $163, as increased from time to time under section 3112(b)(1) of this title and reduced by an amount, based upon the amount of such parent's annual income, determined in accordance with regulations which the Administrator shall prescribe under section 3112(b)(2) of this title.".

(2) Paragraph (3) of such subsection is amended by striking out "$3,770" and inserting in lieu thereof "$4,038, as increased from time to time under section 3112 of this title".

(3) The first sentence of paragraph (4) of such subsection is amended by striking out "the formula of paragraph (1) of this sub-

section or under the formula in subsection (d), whichever is the greater" and inserting in lieu thereof "paragraph (1) of this subsection or under subsection (d) of this section, whichever will result in the greater amount of such compensation being paid to such parent".

(b)(1) Paragraph (1) of subsection (c) of such section is amended to read as follows:

"(1) Except as provided in subsection (d) of this section, if there are two parents, but they are not living together, the monthly rate of dependency and indemnity compensation paid to each such parent shall be $115, as increased from time to time under section 3112(b)(1) of this title and reduced by an amount, based upon the amount of such parent's annual income, determined in accordance with regulations which the Administrator shall prescribe under section 3112(b)(2) of this title.".

(2) Paragraph (3) of such subsection is amended by striking out "$3,770" and inserting in lieu thereof "$4,038, as increased from time to time under section 3112 of this title".

(c)(1) Paragraph (1) of subsection (d) of such section is amended to read as follows:

"(1) If there are two parents who are living together, or if a parent has remarried and is living with such parent's spouse, the monthly rate of dependency and indemnity compensation paid to such parent shall be $109, as increased from time to time under section 3112(b)(1) of this title and reduced by an amount, based upon the amount of the combined annual income of the parents or the parent and the parent's spouse, determined in accordance with regulations which the Administrator shall prescribe under section 3112(b)(2) of this title.".

(2) Paragraph (3) of such subsection is amended by striking out "$5,070" and inserting in lieu thereof "$5,430, as increased from time to time under section 3112 of this title".

(d) Subsection (h) of such section is amended by striking out "$79" and inserting in lieu thereof "$85, as increased from time to time under section 3112 of this title,".

TITLE III—MISCELLANEOUS PROVISIONS AND CONFORMING AMENDMENTS

DEFINITION OF "PENSION"

SEC. 301. Paragraph (15) of section 101 of title 38, United States Code, is amended by inserting "or other periodic" after "monthly".

INCOME LIMITATION FOR RECEIPT OF DRUGS AND MEDICINES

SEC. 302. The second sentence of section 612(h) of title 38, United States Code, is amended by striking out "$500" and inserting in lieu thereof "$1,000".

EFFECTIVE DATES FOR CHANGES IN INCOME

SEC. 303. Clause (4) of section 3012(b) of title 38, United States Code, is amended to read as follows:

"(4) by reason of—

"(A) change in income shall (except as provided in section 3112 of this title) be the last day of the month in which the change occurred; and

"(B) change in corpus of estate shall be the last day of the calendar year in which the change occurred;".

CONFORMING AMENDMENT RELATING TO PROHIBITION ON CONCURRENT PENSIONS

SEC. 304. Paragraph (1) of section 3104(b) of title 38, United States Code, is amended by inserting "of this subsection and in section 521(i) of this title" after "(2) and (3)".

ANNUAL COST-OF-LIVING ADJUSTMENTS

SEC. 305. (a) Chapter 53 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 3112. Annual adjustment of certain benefit rates 38 USC 3112.

"(a) Whenever there is an increase in benefit amounts payable under title II of the Social Security Act as a result of a determination made under section 215(i) of such Act, the Administrator shall, effective on the date of such increase in benefit amounts, increase each maximum annual rate of pension under sections 521, 541, and 542 of this title and the rate of increased pension paid under such sections 521 and 541 on account of children, as such rates were in effect immediately prior to the date of such increase in benefit amounts payable under title II of the Social Security Act, by the same percentage as the percentage by which such benefit amounts are increased. 42 USC 401. 42 USC 415.

"(b)(1) Whenever there is an increase in benefit amounts payable under title II of the Social Security Act as a result of a determination made under section 215(i) of such Act, the Administrator shall, effective on the date of such increase in benefit amounts, increase the maximum monthly rates of dependency and indemnity compensation for parents payable under subsections (b), (c), and (d), and the monthly rate provided in subsection (h), of section 415 of such title and the annual income limitations prescribed in subsections (b)(3), (c)(3), and (d)(3) of such section, as such rates and limitations were in effect immediately prior to the date of such increase in benefit amounts payable under title II of the Social Security Act, by the same percentage as the percentage by which such benefit amounts are increased.

"(2)(A) Whenever there is an increase under paragraph (1) of this subsection in such rates and annual income limitations, the Administrator shall, effective on the date of such increase in such rates and limitations, adjust (as provided in subparagraph (B) of this paragraph) the rates of dependency and indemnity compensation payable under subsection (b)(1) or (c)(1) of section 415 of this title to any parent whose annual income is more than $800 but not more than the annual income limitation in effect under subsection (b)(3) or (c)(3) of such section, as appropriate, and adjust the rates of such compensation payable under subsection (d)(1) of such section to any parent whose annual income is more than $1,000 but not more than the annual income limitation in effect under subsection (d)(3) of such section.

"(B) The adjustment in rates of dependency and indemnity compensation referred to in subparagraph (A) of this paragraph shall be made by the Administrator in accordance with regulations which the Administrator shall prescribe. Regulations.

"(c)(1) Whenever there is an increase under subsection (a) in benefit rates payable under sections 521, 541, and 542 of this title and an increase under subsection (b) in benefit rates and annual income limitations under section 415 of this title, the Administrator shall publish such rates and limitations (including those rates adjusted by the Administrator under subsection (b)(2) of this section), as increased Publication in Federal Register.

pursuant to such subsections, in the Federal Register at the same time as the material required by section 215(i)(2)(D) of the Social Security Act is published by reason of a determination under section 215(i) of such Act.

42 USC 415.

"(2) Whenever such rates and income limitations are so increased, the Administrator may round such rates and income limitations in such manner as the Administrator considers equitable and appropriate for ease of administration.".

(b) The table of sections at the beginning of chapter 53 of such title is amended by adding at the end thereof a new item as follows:

38 USC 3101.

"3112. Annual adjustment of certain benefit rates.".

SAVINGS PROVISIONS FOR PERSONS ENTITLED TO PENSION AS OF DECEMBER 31, 1978

38 USC 521 note.

SEC. 306. (a)(1)(A) Except as provided in subparagraph (B), any person who as of December 31, 1978, is entitled to receive pension under section 521, 541, or 542 of title 38, United States Code, may elect to receive pension under such section as in effect after such date, subject to the terms and conditions in effect with respect to the receipt of such pension. Any such election shall be made in such form and manner as the Administrator may prescribe. If pension is paid pursuant to such an election, the election shall be irrevocable.

(B) Any veteran eligible to make an election under subparagraph (A) who is married to another veteran who is also eligible to make such an election may not make such an election unless both such veterans make such an election.

(2) Any person eligible to make an election under paragraph (1) who does not make such an election shall continue to receive pension at the monthly rate being paid to such person on December 31, 1978, subject to all provisions of law applicable to basic eligibility for and payment of pension under section 521, 541, or 542, as appropriate, of title 38, United States Code, as in effect on December 31, 1978, except that—

(A) pension may not be paid to such person if such person's annual income (determined in accordance with section 503 of title 38, United States Code, as in effect on December 31, 1978) exceeds $4,038, in the case of a veteran or surviving spouse without dependents, $5,430, in the case of a veteran or surviving spouse with one or more dependents, or $3,299, in the case of a child; and

(B) the amount prescribed in subsection (f)(1) of section 521 of such title (as in effect on December 31, 1978) shall be $1,285;

as each such amount is increased from time to time under paragraph (3).

(3) Whenever there is an increase under section 3112 of title 38, United States Code (as added by section 304 of this Act), in the maximum annual rates of pension under sections 521, 541, and 542 of such title, as in effect after December 31, 1978, the Administrator of Veterans' Affairs shall, effective on the date of such increase under such section 3112, increase—

(A) the annual income limitations in effect under paragraph (2); and

(B) the amount of income of a veteran's spouse excluded from the annual income of such veteran under section 521(f)(1) of such title, as in effect on December 31, 1978;

by the same percentage as the percentage by which such maximum annual rates under such sections 521, 541, and 542 are increased.

(b)(1) Effective January 1, 1979, section 9 of the Veterans' Pension Act of 1959 (Public Law 86-211) is repealed. Repeal. 38 USC 521 note.

(2)(A) Except as provided in subparagraph (B), any person who as of December 31, 1978, is entitled to receive pension under section 9(b) of the Veterans' Pension Act of 1959 may elect to receive pension under section 521, 541, or 542 of title 38, United States Code, as in effect after such date, subject to the terms and conditions in effect with respect to the receipt of such pension. Any such election shall be made in such form and manner as the Administrator of Veterans' Affairs may prescribe. If pension is paid pursuant to such an election, the election shall be irrevocable.

(B) Any veteran eligible to make an election under subparagraph (A) who is married to another veteran who is also eligible to make such an election may not make such an election unless both such veterans make such an election.

(3) Any person eligible to make an election under paragraph (2) who does not make such an election shall continue to receive pension at the monthly rate being paid to such person on December 31, 1978, subject to all provisions of law applicable to basic eligibility for and payment of pension under section 9(b) of the Veterans' Pension Act of 1959, as in effect on December 31, 1978, except that pension may not be paid to such person if such person's annual income (determined in accordance with the applicable provisions of law, as in effect on December 31, 1978) exceeds $3,534, in the case of a veteran or surviving spouse without dependents or in the case of a child, or $5,098, in the case of a veteran or surviving spouse with one or more dependents, as each such amount is increased from time to time under paragraph (4).

(4) Whenever there is an increase under section 3112 of title 38, United States Code (as added by section 304 of this Act), in the maximum annual rates of pension under sections 521, 541, and 542 of such title, as in effect after December 31, 1978, the Administrator shall, effective on the date of such increase under such section 3112, increase the annual income limitations in effect under paragraph (3) by the same percentage as the percentage by which the maximum annual rates under such sections 521, 542, and 543 are increased.

(c) Any case in which—

(1) a claim for pension is pending in the Veterans' Administration on December 31, 1978;

(2) a claim for pension is filed by a veteran after December 31, 1978, and within one year after the date on which such veteran became totally and permanently disabled, if such veteran became totally and permanently disabled before January 1, 1979; or

(3) a claim for pension is filed by a surviving spouse or by a child after December 31, 1978, and within one year after the date of death of the veteran through whose relationship such claim is made, if the death of such veteran occurred before January 1, 1979;

shall be adjudicated under title 38, United States Code, as in effect on December 31, 1978. Any benefits determined to be payable as the result of the adjudication of such a claim shall be subject to the provisions of subsection (a).

(d) In any case in which any person who as of December 31, 1978, is entitled to receive pension under section 521, 541, or 542 of title 38, United States Code, or under section 9(b) of the Veterans' Pension Act of 1959, elects (in accordance with subsection (a)(1) or (b)(2), as appropriate) before October 1, 1979, to receive pension under such section as in effect after December 31, 1978, the Administrator of Veter-

ans' Affairs shall pay to such person an amount equal to the amount by which the amount of pension benefits such person would have received had such election been made on January 1, 1979, exceeds the amount of pension benefits actually paid to such person for the period beginning on January 1, 1979, and ending on the date preceding the date of such election.

Publication in Federal Register.

(e) Whenever there is an increase under subsections (a)(3) and (b)(4) in the annual income limitations with respect to persons being paid pension under subsections (a)(2) and (b)(3), the Administrator of Veterans' Affairs shall publish such annual income limitations, as increased pursuant to such subsections, in the Federal Register at the same time as the material required by section 215(i)(2)(D) of the Social Security Act is published by reason of a determination under section 215(i) of such Act.

42 USC 415.

AMENDMENTS CONCERNING PENSION FOR CERTAIN INSTITUTIONALIZED VETERANS

SEC. 307. Paragraph (1) of section 3203(a) of title 38, United States Code, is amended to read as follows:

"(1)(A) Where any veteran having neither spouse nor child is being furnished domiciliary care by the Veterans' Administration, no pension in excess of $60 per month shall be paid to or for the veteran for any period after the end of the second full calendar month following the month of admission for such care.

"(B) Where any veteran having neither spouse nor child is being furnished hospital or nursing home care by the Veterans' Administration, no pension in excess of $60 per month shall be paid to or for the veteran for any period after the end of the third full calendar month following the month of admission for such care.

"(C) No pension in excess of $60 per month shall be paid to or for a veteran having neither spouse nor child for any period after the month in which such veteran is readmitted for care described in subparagraph (A) or (B) of this paragraph and furnished by the Veterans' Administration if such veteran is readmitted within six months of a period of care of not less than two full calendar months.".

STUDY OF PENSION BENEFITS PAID TO PERSONS OVERSEAS

38 USC 521 note.

SEC. 308. (a) The Administrator of Veterans' Affairs, in consultation with the Secretary of State, shall carry out a comprehensive study of the income characteristics of veterans of a period of war (as defined in section 101(11) of title 38, United States Code) and their survivors who are residing outside the fifty States and the District of Columbia, including those who are receiving pension benefits under chapter 15 of title 38, United States Code, or under section 9(b) of the Veterans' Pension Act of 1959, as in effect on the date of the enactment of this Act. The Administrator shall include in such study (1) an analysis of the issues involved in the payment of non-service-connected pension benefits to such persons, (2) analyses of such aspects of the economy of each foreign country and each territory, possession, and commonwealth of the United States in which a substantial number of such persons reside as are relevant to such issues, such as the rate of inflation, the standard of living, and subsistence levels in such foreign country or such territory, possession, or commonwealth, and (3) estimates of the present and future costs of the payment of pension benefits to such persons.

38 USC 3101.

38 USC 521 note.

(b) The Administrator of Veterans' Affairs shall transmit a report to the Congress and to the President, not later than February 1, 1980, on the results of such study, together with the Administrator's recommendations as to the desirability of modifying the Veterans' Administration non-service-connected pension program for veterans of a period of war (as defined in section 101(11) of title 38, United States Code) and their survivors who are residing outside the fifty States and the District of Columbia.

Report, transmittal to the President and Congress.

TITLE IV—EFFECTIVE DATE

SEC. 401. The amendments made by this Act to title 38, United States Code, shall become effective on January 1, 1979.

38 USC 101 note.

Approved November 4, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-1225 (Comm. on Veterans' Affairs) and No. 95-1768 (Comm. of Conference).
SENATE REPORTS: No. 95-1016 accompanying S. 2384 (Comm. on Veterans' Affairs) and No. 95-1329 (Comm. of Conference).
CONGRESSIONAL RECORD, Vol. 124 (1978):
June 28, considered and passed House.
July 31, considered and passed Senate, amended, in lieu of S. 2384.
Oct. 12, Senate agreed to conference report.
Oct. 14, House agreed to conference report.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 45:
Nov. 6, Presidential statement.

Public Law 95-589
95th Congress

An Act

Nov. 4, 1978
[H.R. 13903]

To amend title 10, United States Code, to provide that a member of the Board of Regents of the Uniformed Services University of the Health Sciences whose term of office has expired shall continue to serve until a successor is appointed.

Uniformed Services University of the Health Sciences, Board of Regents, term of service.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2113(b) of title 10, United States Code, relating to the Board of Regents of the Uniformed Services University of the Health Sciences, is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(3) any member whose term of office has expired shall continue to serve until his successor is appointed.".

Approved November 4, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1685 (Comm. on Armed Services).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 10, considered and passed House.
Oct. 15, considered and passed Senate.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 45:
Nov. 4, Presidential statement.

Public Law 95-590
95th Congress

An Act

To provide for an accelerated program of research, development, and demonstration of solar photovoltaic energy technologies leading to early competitive commercial applicability of such technologies to be carried out by the Department of Energy, with the support of the National Aeronautics and Space Administration, the National Bureau of Standards, the General Services Administration, and other Federal agencies.

Nov. 4, 1978
[H.R. 12874]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978".

Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978.
42 USC 5501 note.

FINDINGS AND POLICY

SEC. 2. (a) The Congress hereby finds that—

(1) the United States of America is faced with a finite and diminishing resource base of native fossil fuels, and as a consequence must develop as quickly as possible a diversified, pluralistic national energy capability and posture;

(2) the current imbalance between supply and demand for fuels and energy in the United States is likely to grow for many years;

(3) the early demonstration of the feasibility of using solar photovoltaic energy systems for the generation of electricity could help to relieve the demand on existing fuel and energy supplies;

(4) the national security and economic well-being of the United States is endangered by its dependence on imported energy supplies which are subject to resource limitations, artificial pricing mechanisms which do not accurately reflect supply and demand relationships, and supply interruptions;

(5) the early development and widespread utilization of photovoltaic energy systems could significantly expand the domestic energy resource base of the United States, thereby lessening its dependence on foreign supplies;

(6) the establishment of sizable markets for photovoltaic energy systems will justify private investment in plant and equipment necessary to realize the economies of scale, and will result in significant reductions in the unit costs of these systems;

(7) the use of solar photovoltaic energy systems for certain limited applications has already proved feasible;

(8) there appear to be no insoluble technical obstacles to the widespread commercial use of solar photovoltaic energy technologies;

(9) an aggressive research and development program should solve existing technical problems of solar photovoltaic systems; and, supported by an assured and growing market for photovoltaic systems during the next decade, should maximize the future contribution of solar photovoltaic energy to this Nation's future energy production;

(10) it is the proper and appropriate role of the Federal Government to undertake research, development, and demonstration programs in solar photovoltaic energy technologies and to supple-

42 USC 5581.

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ment and assist private industry and other entities and thereby the general public, so as to hasten the general commercial use of such technologies;

(11) the high cost of imported energy sources impairs the economic growth of many nations which lack sizable domestic energy supplies or are unable to develop these resources;

(12) photovoltaic energy systems are economically competitive with conventional energy resources for a wide variety of applications in many foreign nations at the present time, and will find additional applications with continued cost reductions;

(13) the early development and export of solar photovoltaic energy systems, consistent with the established preeminence of the United States in the field of high technology products, can make a valuable contribution to the well-being of the people of other nations and to this Nation's balance of trade;

(14) the widespread use of solar photovoltaic energy systems to supplement and replace conventional methods for the generation of electricity would have a beneficial effect upon the environment;

(15) to increase the potential application of solar photovoltaic energy systems in remote locations, and to minimize the need for backup systems depending on fossil fuel, programs leading to the development of inexpensive and reliable systems for the storage of electricity should be pursued as part of any solar photovoltaic energy research, development, and demonstration program;

(16) evaluation of the performance and reliability of solar photovoltaic energy technologies can be expedited by testing of prototypes under carefully controlled conditions;

(17) commercial application of solar photovoltaic energy technologies can be expedited by early commercial demonstration under practical conditions;

(18) photovoltaic energy systems are currently adaptable on a life cycle, cost-justified basis for certain of the energy needs of the Federal Government, and will find additional applications as continued refinements improve performance and reduce unit costs;

(19) the Federal Government can stimulate innovation and economic efficiency in the production of photovoltaic energy systems through the development and implementation of policies to promote diversity and maximum competition between firms engaged in the research, manufacture, installation, and/or maintenance of these systems;

(20) innovation and creativity in the development of solar photovoltaic energy components and systems can be fostered through encouraging direct contact between the manufacturers of such systems and the architects, engineers, developers, contractors, and other persons interested in utilizing such systems; and

(21) it is contemplated that the ten-year program established by this Act will require the expenditure of $1,500,000,000 by the Federal Government.

(b) It is therefore declared to be the policy of the United States and the purpose of this Act to establish during the next decade an aggressive research, development, and demonstration program involving solar photovoltaic energy systems and in the long term, to have as an objective the production of electricity from photovoltaic systems cost competitive with utility-generated electricity from conventional sources. Further, it is declared to be the policy of the United States and

the purpose of this Act that the objectives of this research, development, and demonstration program are—

(1) to double the production of solar photovoltaic energy systems each year during the decade starting with fiscal year 1979, measured by the peak generating capacity of the systems produced, so as to reach a total annual United States production of solar photovoltaic energy systems of approximately two million peak kilowatts, and a total cumulative production of such systems of approximately four million peak kilowatts by fiscal year 1988;

(2) to reduce the average cost of installed solar photovoltaic energy systems to $1 per peak watt by fiscal year 1988; and

(3) to stimulate the purchase by private buyers of at least 90 per centum of all solar photovoltaic energy systems produced in the United States during fiscal year 1988.

DEFINITIONS

SEC. 3. For purposes of this Act— 42 USC 5582.

(1) a "solar photovoltaic energy system" is a system of components which generates electricity from incident sunlight by means of the photovoltaic effect, and which shall include all components, including energy storage devices where appropriate, necessary to provide electricity for individual, industrial, agricultural, or governmental use;

(2) the term "solar photovoltaic energy system" may be used interchangeably with the term "photovoltaic system";

(3) a "hybrid solar photovoltaic energy system" is a system of components that generates electricity from incident sunlight by means of the photovoltaic effect and, in conjunction with electronic and, if appropriate, optical, thermal and storage devices, provides electricity, as well as heat and/or light for individual, commercial, industrial, agricultural, or governmental use:

(4) "photovoltaic effect" refers to the physical phenomenon exhibited under certain circumstances by some materials in which a portion of the light energy striking the material is directly converted to electrical energy;

(5) "facility" means any building, agricultural, commercial or industrial complex or other device constructively employing photovoltaic systems; and

(6) "Secretary" means the Secretary of Energy.

RESEARCH, DEVELOPMENT, AND DEMONSTRATION OF SOLAR PHOTOVOLTAIC ENERGY SYSTEMS

SEC. 4. The Secretary is directed to establish immediately and carry forth such research, development, and demonstration programs as may be necessary to meet the objectives of this Act as set forth in section 2(b), and as a part of any such program shall— Programs, establishment. 42 USC 5583.

(a) conduct, and promote the coordination and acceleration of, research, development, and demonstrations relating to solar photovoltaic energy systems and components thereof, and

(b) conduct, and promote the coordination and acceleration of, research, development, and demonstrations for systems and components to be used in applications that are dependent for their energy on solar photovoltaic energy systems.

42 USC 5584.

SEC. 5. (a) In carrying out the provisions of section (4), the Secretary is authorized—

Federal assistance application procedures. Agreements.

(1) to establish procedures whereby any public or private entity wishing to install solar photovoltaic components and systems in any new or existing facility may apply for Federal assistance in purchasing and installing, in such facility, photovoltaic components or systems;

(2) to select, as soon as he deems it feasible, a number of the applicants under paragraph (1) and enter into agreements with them for the design, purchase, fabrication, testing, installation, and demonstration of photovoltaic components and systems. Such selection shall be based on the need to obtain scientific, technological, and economic information from a variety of such systems under a variety of circumstances and conditions; and

(3) to arrange, as part of any agreement entered into under paragraph (2), to provide up to 75 per centum of the purchase and installation costs of photovoltaic components or systems, taking into account relevant considerations involving the relative stage of consumer and industry interest and development at the time of the financial assistance action. Such arrangements shall be contingent upon terms and conditions prescribed by the Secretary, including an express agreement that the entity with whom the agreement is entered into shall, in such manner and form and on such terms and conditions as the Secretary may prescribe, observe and monitor (or permit the Secretary or his agents to observe and monitor) the performance and operation of such system for a period of five years, and that such entity (including any subsequent owner of the property) shall regularly furnish the Secretary with such reports thereon as the agreement may require.

Observation and monitoring reports.

(b) The Secretary shall, as he deems appropriate, undertake any projects or activities (including demonstration projects) to further the attainment of the objectives of this section.

42 USC 5585.

SEC. 6. (a) The Secretary is authorized to select on the basis of open competitions—

(1) a number of readily available photovoltaic components and systems;

(2) a number of design concepts for various types of applications which demonstrate adapability to the utilization of photovoltaic components and systems; and

(3) a number of designs for applications selected under paragraph (2), so that each design includes specific provisions for the utilization of solar photovoltaic components and systems selected under paragraph (1).

(b) The Secretary, in accordance with the applicable provisions of sections 7, 8, and 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5901 et seq.) and with such program guidelines as the Secretary may establish, shall—

42 USC 5906, 5907, 5908. Contracts and grants.

(1) enter into such contracts and grants as may be necessary or appropriate for the development for commercial production and utilization of photovoltaic components and systems, including any further planning and design which may be required to conform with the specifications set forth in any applicable criteria;

(2) select, as being compatible with the design concepts chosen under subsection (a)(2) of this section, a reasonable number of photovoltaic components and systems; and

(3) enter into contracts with a number of persons or firms for the procurement of photovoltaic components and systems, including adequate numbers of spare and replacement parts for such systems. Contracts.

(c) The Secretary is authorized to award contracts for the design integration between the application concepts and the photovoltaic systems procured by the Secretary under subsection (b)(3), and for the demonstration of prototype solar photovoltaic systems, and, when appropriate, for the utilization of such systems in existing facilities. Title to and ownership of the facilities so constructed and of photovoltaic systems installed hereunder may be conveyed to purchasers of such facilities under terms and conditions prescribed by the Secretary, including an express agreement that any such purchaser shall, in such manner and form and on such terms and conditions as the Secretary may prescribe, observe and monitor (or permit the Secretary to observe and monitor) the performance and operation of such systems for a period of five years, and that such purchaser (including any subsequent owner) shall regularly furnish the Secretary with such reports thereon as the agreement may require. Title, conveyance. Observation and monitoring reports.

(d) The Secretary, in consultation with the Administrator of General Services or the Secretary of Defense or both (as may be appropriate) shall enter into arrangements with appropriate Federal agencies concurrently with the conduct of the programs under this section and section 7 of this Act, to carry out such projects and activities (including demonstration projects), with respect to Federal buildings and facilities, as may be appropriate for the demonstration of photovoltaic systems suitable and effective for use in such applications. Federal agencies cooperation, consultation.

(e) The Secretary shall, as he deems appropriate, undertake any projects or activities (including demonstration projects) to further the attainment of the objectives of this section.

TEST PROCEDURES AND PERFORMANCE CRITERIA

SEC. 7. (a) The Secretary shall conduct a testing program for photovoltaic systems to assist in the development and demonstration of prototype photovoltaic systems, including collectors, controls, power conditioning, and energy storage systems. Program. 42 USC 5586.

(b) Data obtained from the testing program under subsection (a) shall be evaluated and used in establishing performance criteria. These performance criteria shall be used in the demonstration program described in sections 4, 5, and 6 of this Act.

(c) The Secretary shall determine, prescribe, and publish in the Federal Register, at a time which he determines to be feasible and justified— Publication in Federal Register.

(1) performance criteria for photovoltaic components and systems to be used in appropriate applications, and procedures whereby manufacturers of photovoltaic components and systems shall have their products tested in order to provide certification that such products conform to the performance criteria established under this paragraph; and

(2) revised performance criteria for photovoltaic components and systems to be used in appropriate applications, and procedures whereby manufacturers of photovoltaic components and systems shall have their products tested in order to provide certification that such products conform to the performance criteria established under this paragraph. Such criteria may be annually revised by the Secretary, as he deems appropriate.

(d) Any photovoltaic component or system procured or installed by the Federal Government or procured or installed with Federal assistance under section (5) or section (6) shall meet appropriate performance criteria prescribed under this section, if such performance criteria have been prescribed.

COORDINATION MONITORING, AND LIAISON

42 USC 5587.

SEC. 8. (a) The Secretary, in coordination with such Government agencies as may be appropriate, shall—

(1) monitor the performance and operation of photovoltaic systems installed under this Act;

(2) collect and evaluate data and information on the performance and operation of photovoltaic systems installed under this Act; and

(3) from time to time carry out such studies and investigations and take such other actions, including the submission of special reports to the Congress when appropriate, as may be necessary to assure that the programs for which the Secretary is responsible under this Act effectively carry out the policy of this Act.

(b) In the development of the performance criteria and test procedures required under section 7 of this Act, the Secretary shall work closely with the appropriate scientific, technical, and professional societies and industry representatives in order to assure the best possible use of available expertise in this area.

(c) The Secretary shall also maintain continuing liaison with related industries and interests, and with the scientific and technical community, during and after the period of the programs carried out under this Act, in order to assure that the projected benefits of such programs are and will continue to be realized.

SOLAR PHOTOVOLTAIC ENERGY ADVISORY COMMITTEE

Establishment and duties.
42 USC 5588.

SEC. 9. (a) There is hereby established a Solar Photovoltaic Energy Advisory Committee, which shall study and advise the Secretary on—

(1) the scope and pace of research and development with respect to solar photovoltaic energy systems;

(2) the need for and timing of solar photovoltaic energy systems demonstration projects;

(3) the need for change in any research, development, or demonstration program established under this Act; and

(4) the economic, technological, and environmental consequences of the use of solar photovoltaic energy systems.

Membership.

(b) The Committee shall be composed of thirteen members, including eleven members appointed by the Secretary from industrial organizations, academic institutions, professional societies or institutions, and other sources as he sees fit, and two members of the public appointed by the President. The Chairman of the Committee shall be elected from among the members thereof.

(c) The heads of the departments, agencies, and instrumentalities of the executive branch of the Federal Government shall cooperate with the Committee in carrying out the requirements of this section, and shall furnish to the Committee such information as the Committee deems necessary to carry out this section.

(d) Section 624 of the Department of Energy Organization Act shall be applicable to the Committee, except as inconsistent with this section. 42 USC 7234.

DISSEMINATION OF INFORMATION AND OTHER ACTIVITIES TO PROMOTE PRACTICAL USE OF SOLAR PHOTOVOLTAIC TECHNOLOGIES

SEC. 10 (a) The Secretary shall take all possible steps to assure that full and complete information with respect to the demonstrations and other activities conducted under this Act is made available to Federal, State, and local authorities, relevant segments of the economy, the scientific and technical community, and the public at large, both during and after the close of the programs under this Act, with the objective of promoting and facilitating to the maximum extent feasible the early and widespread practical use of photovoltaic energy throughout the United States. Any trade secret or other proprietary information shall be exempted from such mandatory disclosure, as otherwise specified in law applicable to research, development and demonstration programs of the Department of Energy, including, but not limited to, section 17 of the Federal Non-Nuclear Energy Research and Development Act of 1974, Public Law 93-577, as amended. 42 USC 5589. 42 USC 5916.

(b) The Secretary shall— Studies and investigation.

(1) study the effect of the widespread utilization of photovoltaic systems on the existing electric utility system at varying levels of photovoltaic contribution to the system;

(2) study and investigate the effect of utility rate structures, building codes, zoning ordinances, and other laws, codes, ordinances, and practices upon the practical use of photovoltaic systems;

(3) determine the extent to which such laws, codes, ordinances, and practices should be changed to permit or facilitate such use and the methods by which any such changes may best be accomplished; and

(4) determine the necessity of a program of incentives to accelerate the commercial application of photovoltaic technologies.

(c) The Secretary is authorized and directed, within one year of the date of enactment of this Act, to make recommendations to the President and to the Congress for Federal policies relating to barriers to the early and widespread utilization of photovoltaic systems in order to realize the goals set forth in section 2. These recommendations shall include but not be limited to— Policy recommendations to the President and Congress.

(1) the potential for integration of electricity derived from photovoltaic energy systems into the existing national grid system, including the potential of photovoltaic-generated electricity to meet the peak-load energy needs of electric utilities, load management and reliability implications of the utilization of photovoltaic electricity by utilities, the implications of utility ownership of photovoltaic components leased to others primarily for decentralized applications, the impacts of utility use of electricity derived from photovoltaic energy systems on utility rate structures, and the potential for reducing or obviating the need for energy storage components for photovoltaic energy systems through utility interface;

(2) the extent of competition between firms currently engaged in the fabrication and installation of photovoltaics components and systems as it affects the character and growth potential of the American photovoltaics industry, and the likelihood that small photovoltaic firms will have reasonable opportunities to compete and participate in the various programs authorized by this Act;

(3) the need to identify legal alternatives to ensure access to direct sunlight for photovoltaic energy systems, the appropriate methods of encouraging the adoption of such alternatives, and the implications of widespread utilization of photovoltaic energy systems for land use and urban development;

(4) the availability of private capital at reasonable interest rates for individuals, businesses and others desiring to establish commercial enterprises to manufacture, market, install, and/or, maintain photovoltaic components and systems, or purchase and install such systems for private, industrial, agricultural, commercial or other uses;

(5) the need for industry-wide warranty and reliability standards for photovoltaic energy components and systems for private sector applications, and, if appropriate, the mechanisms for establishing such standards; and

(6) the attainability of the goals specified in subsection 2(b), and any modification of such goals which the Secretary proposes for consideration by Congress, with supporting analyses.

Consultation and coordination.

(d) In carrying out his functions under this section, the Secretary shall consult with the appropriate government agencies, industry representatives, and members of the scientific and technical community having expertise and interest in this area. The Secretary also shall ensure that any study or report prepared pursuant to this section is fully coordinated with and reflective of any analyses or reports prepared pursuant to the requirements in section 208 of the Department of Energy Act of 1978—Civilian Applications, Public Law 95-238, and in the President's Solar Energy Domestic Policy Review. The Secretary, as appropriate, may merge any continuing or on-going studies under section 208 or the Domestic Policy Review with those required by this section or avoid any unnecessary duplication of effort or funding. The separate report requirements of section 208 and this section, however, shall remain in force.

42 USC 5556a.

INTERNATIONAL PARTICIPATION AND COOPERATION

Plan, consultation and submittal to congressional committees.
42 USC 5590.

SEC. 11. (a) Within one year after the date of the enactment of this Act, the Secretary, in consultation with the Secretary of State, the Administrator of the Agency for International Development, the Director of ACTION, the Director of the Export/Import Bank and other appropriate Federal officials, shall submit to the House Committee on Science and Technology and the Senate Committee on Energy and Natural Resources a plan for demonstrating applications of solar photovoltaic energy systems and facilitating their widespread use in other nations, especially those with agreements for scientific cooperation with the United States.

(b) The Secretary is authorized to encourage, to the maximum extent practicable, international participation and cooperation in the

development and maintenance of programs established under this plan. The Secretary, in consultation and cooperation with the Federal officials specified in subsection (a), shall insure to the maximum extent possible that the plan submitted under subsection (a) and any other international activities under this section are consistent with and reflective of any similar activities or requirements under any other Federal statute, specifically including any of the several programs under other agencies and Departments involving United States international cooperation and assistance in nonnuclear energy technology, and will not duplicate activities under such programs. The plan required in subsection (a) shall specifically identify all such programs and statutes and describe how the activities under this section will be consistent with such programs, will be coordinated with them, and will avoid duplication of activities under such programs.

ENCOURAGEMENT AND PROTECTION OF SMALL BUSINESS

SEC. 12. In carrying out his functions under this Act, the Secretary shall take steps to assure that small-business concerns will have realistic and adequate opportunities to participate in the programs under this Act to the maximum extent practicable, and the Secretary is directed to set aside at least 10 per centum of the funds authorized and appropriated for the participation of small business concerns.

Funds set aside.
42 USC 5591.

PRIORITIES

SEC. 13. The Secretary shall set priorities, as far as possible consistent with the intent and operation of this Act, in accordance with the following criteria:

42 USC 5592.

(1) The applications utilizing photovoltaic systems which will be part of the research, development, and demonstration program and testing and demonstration programs referred to in sections 4, 5, 6, and 7 shall be located in a sufficient number of different geographic areas in the United States to assure a realistic and effective demonstration of the use of photovoltaic systems and of the applications themselves, in both rural and urban locations and under climatic conditions which vary as much as possible.

(2) The projected costs of commercial production and maintenance of the photovoltaic systems utilized in the testing and demonstration programs established under this Act should be taken into account.

(3) Encouragement should be given in the conduct of programs under this Act to those projects in which funds are appropriated by any State or political subdivision thereof for the purpose of sharing costs with the Federal Government for the purchase and installation of photovoltaic components and systems.

SEC. 14. Nothing in this Act shall be construed to negate, duplicate, or otherwise affect the provisions of title V (Federal Initiatives), part 4 (Federal Photovoltaic Utilization), National Energy Conservation Policy Act, H.R. 5037, 95th Congress, if and when that Act becomes enacted by the Ninety-fifth Congress, and such part 4 shall be exempted fully from the provisions of this Act and any regulations, guidelines, or criteria pursuant thereto.

42 USC 5593.

Post, p. 3280.

AUTHORIZATION OF APPROPRIATIONS

42 USC 5594.

SEC. 15. There is hereby authorized to be appropriated to the Secretary, for the fiscal year ending September 30, 1979, $125,000,000, inclusive of any funds otherwise authorized for photovoltaic programs, (1) to carry out the functions vested in the Secretary by this Act, (2) to carry out the functions in fiscal year 1979, vested in the Secretary by part 4 of title V of H.R. 5037, 95th Congress, if enacted by the 95th Congress, and (3) for transfer to such other agencies of the Federal Government as may be required to enable them to carry out their respective functions under this Act. Funds appropriated pursuant to this section shall remain available until expended: *Provided*, That any contract or agreement entered into pursuant to this Act shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts. Authorizations of appropriations for fiscal years after fiscal year 1979 shall be contained in the annual authorization for the Department of Energy, except for those funds authorized for fiscal years 1980 and 1981 contained in part 4 of title V of H.R. 5037, Ninety-fifth Congress, if enacted by the Ninety-fifth Congress.

Approved November 4, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1285 (Comm. on Science and Technology).
SENATE REPORT No. 95-1262, accompanying S. 3392 (Comm. on Energy and Natural Resources).
CONGRESSIONAL RECORD, Vol. 124 (1978):
June 28, considered and passed House.
Oct. 10, considered and passed Senate, amended, in lieu of S. 3392.
Oct. 13, House concurred in Senate amendment.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 45:
Nov. 4, Presidential statement.

Public Law 95-591
95th Congress

An Act

To amend title 44 to insure the preservation of and public access to the official records of the President, and for other purposes.

Nov. 4, 1978
[H.R. 13500]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Presidential Records Act of 1978".

Presidential Records Act of 1978.
44 USC 101, 2201 notes.

RECORDS MANAGEMENT, PRESERVATION, AND PUBLIC AVAILABILITY

SEC. 2. (a) Title 44 of the United States Code is amended by adding immediately after chapter 21 the following new chapter:

"Chapter 22.—PRESIDENTIAL RECORDS

"Sec.
"2201. Definitions.
"2202. Ownership of Presidential records.
"2203. Management and custody of Presidential records.
"2204. Restrictions on access to Presidential records.
"2205. Exceptions to restriction on access.
"2206. Regulations.
"2207. Vice-Presidential records.

"§ 2201. Definitions

44 USC 2201.

"As used in this chapter—

"(1) The term 'documentary material' means all books, correspondence, memorandums, documents, papers, pamphlets, works of art, models, pictures, photographs, plats, maps, films, and motion pictures, including, but not limited to, audio, audiovisual, or other electronic or mechanical recordations.

"(2) The term 'Presidential records' means documentary materials, or any reasonably segregable portion thereof, created or received by the President, his immediate staff, or a unit or individual of the Executive Office of the President whose function is to advise and assist the President, in the course of conducting activities which relate to or have an effect upon the carrying out of the constitutional, statutory, or other official or ceremonial duties of the President. Such term—

"(A) includes any documentary materials relating to the political activities of the President or members of his staff, but only if such activities relate to or have a direct effect upon the carrying out of constitutional, statutory, or other official or ceremonial duties of the President; but

"(B) does not include any documentary materials that are (i) official records of an agency (as defined in section 552(e) of title 5, United States Code); (ii) personal records; (iii) stocks of publications and stationery; or (iv) extra copies of documents produced only for convenience of reference, when such copies are clearly so identified.

"(3) The term 'personal records' means all documentary materials, or any reasonably segregable portion therof, of a purely private or nonpublic character which do not relate to or have an effect upon the carrying out of the constitutional, statutory,

or other official or ceremonial duties of the President. Such term includes—

"(A) diaries, journals, or other personal notes serving as the functional equivalent of a diary or journal which are not prepared or utilized for, or circulated or communicated in the course of, transacting Government business;

"(B) materials relating to private political associations, and having no relation to or direct effect upon the carrying out of constitutional, statutory, or other official or ceremonial duties of the President; and

"(C) materials relating exclusively to the President's own election to the office of the Presidency; and materials directly relating to the election of a particular individual or individuals to Federal, State, or local office, which have no relation to or direct effect upon the carrying out of constitutional, statutory, or other official or ceremonial duties of the President.

"(4) The term 'Archivist' means the Archivist of the United States.

"(5) The term 'former President', when used with respect to Presidential records, means the former President during whose term or terms of office such Presidential records were created.

44 USC 2202.

"§ 2202. Ownership of Presidential records

"The United States shall reserve and retain complete ownership, possession, and control of Presidential records; and such records shall be administered in accordance with the provisions of this chapter.

44 USC 2203.

"§ 2203. Management and custody of Presidential records

"(a) Through the implementation of records management controls and other necessary actions, the President shall take all such steps as may be necessary to assure that the activities, deliberations, decisions, and policies that reflect the performance of his constitutional, statutory, or other official or ceremonial duties are adequately documented and that such records are maintained as Presidential records pursuant to the requirements of this section and other provisions of law.

"(b) Documentary materials produced or received by the President, his staff, or units or individuals in the Executive Office of the President the function of which is to advise and assist the President, shall, to the extent practicable, be categorized as Presidential records or personal records upon their creation or receipt and be filed separately.

Disposal, notification to Archivist.

"(c) During his term of office, the President may dispose of those of his Presidential records that no longer have administrative, historical, informational, or evidentiary value if—

"(1) the President obtains the views, in writing, of the Archivist concerning the proposed disposal of such Presidential records; and

"(2) the Archivist states that he does not intend to take any action under subsection (e) of this section.

Disposal schedule, submittal to congressional committees.

"(d) In the event the Archivist notifies the President under subsection (c) that he does intend to take action under subsection (e), the President may dispose of such Presidential records if copies of the disposal schedule are submitted to the appropriate Congressional Committees at least 60 calendar days of continuous session of Congress in advance of the proposed disposal date. For the purpose of this section, continuity of session is broken only by an adjournment of Congress

sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the days in which Congress is in continuous session.

"(e) The Archivist shall request the advice of the Committee on Rules and Administration and the Committee on Governmental Affairs of the Senate and the Committee on House Administration and the Committee on Government Operations of the House of Representatives with respect to any proposed disposal of Presidential records whenever he considers that— Consultation with congressional committees.

"(1) these particular records may be of special interest to the Congress; or

"(2) consultation with the Congress regarding the disposal of these particular records is in the public interest.

"(f)(1) Upon the conclusion of a President's term of office, or if a President serves consecutive terms upon the conclusion of the last term, the Archivist of the United States shall assume responsibility for the custody, control, and preservation of, and access to, the Presidential records of that President. The Archivist shall have an affirmative duty to make such records available to the public as rapidly and completely as possible consistent with the provisions of this Act.

"(2) The Archivist shall deposit all such Presidential records in a Presidential archival depository or another archival facility operated by the United States. The Archivist is authorized to designate, after consultation with the former President, a director at each depository or facility, who shall be responsible for the care and preservation of such records.

"(3) The Archivist is authorized to dispose of such Presidential records which he has appraised and determined to have insufficient administrative, historical, informational, or evidentiary value to warrant their continued preservation. Notice of such disposal shall be published in the Federal Register at least 60 days in advance of the proposed disposal date. Publication of such notice shall constitute a final agency action for purposes of review under chapter 7 of title 5, United States Code. Publication in Federal Register.

5 USC 701 *et seq.*

"§ 2204. Restrictions on access to Presidential records 44 USC 2204.

"(a) Prior to the conclusion of his term of office or last consecutive term of office, as the case may be, the President shall specify durations, not to exceed 12 years, for which access shall be restricted with respect to information, in a Presidential record, within one or more of the following categories:

"(1)(A) specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and (B) in fact properly classified pursuant to such Executive order;

"(2) relating to appointments to Federal office;

"(3) specifically exempted from disclosure by statute (other than sections 552 and 552b of title 5, United States Code), provided that such statute (A) requires that the material be withheld from the public in such a manner as to leave no discretion on the issue, or (B) establishes particular criteria for withholding or refers to particular types of material to be withheld;

"(4) trade secrets and commercial or financial information obtained from a person and privileged or confidential;

"(5) confidential communications requesting or submitting advice, between the President and his advisers, or between such advisers; or

"(6) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

"(b)(1) Any Presidential record or reasonably segregable portion thereof containing information within a category restricted by the President under subsection (a) shall be so designated by the Archivist and access thereto shall be restricted until the earlier of—

"(A)(i) the date on which the former President waives the restriction on disclosure of such record, or

"(ii) the expiration of the duration specified under subsection (a) for the category of information on the basis of which access to such record has been restricted; or

"(B) upon a determination by the Archivist that such record or reasonably segregable portion thereof, or of any significant element or aspect of the information contained in such record or reasonably segregable portion thereof, has been placed in the public domain through publication by the former President, or his agents.

"(2) Any such record which does not contain information within a category restricted by the President under subsection (a), or contains information within such a category for which the duration of restricted access has expired, shall be exempt from the provisions of subsection (c) until the earlier of—

"(A) the date which is 5 years after the date on which the Archivist obtains custody of such record pursuant to section 2203(d)(1); or

"(B) the date on which the Archivist completes the processing and organization of such records or integral file segment thereof.

Determination by Archivist, consultation.

"(3) During the period of restricted access specified pursuant to subsection (b)(1), the determination whether access to a Presidential record or reasonably segregable portion thereof shall be restricted shall be made by the Archivist, in his discretion, after consultation with the former President, and, during such period, such determinations shall not be subject to judicial review, except as provided in subsection (e) of this section. The Archivist shall establish procedures whereby any person denied access to a Presidential record because such record is restricted pursuant to a determination made under this paragraph, may file an administrative appeal of such determination. Such procedures shall provide for a written determination by the Archivist or his designee, within 30 working days after receipt of such an appeal, setting forth the basis for such determination.

Administrative appeal procedures.

Administration.

"(c)(1) Subject to the limitations on access imposed pursuant to subsections (a) and (b), Presidential records shall be administered in accordance with section 552 of title 5, United States Code, except that paragraph (b)(5) of that section shall not be available for purposes of withholding any Presidential record, and for the purposes of such section such records shall be deemed to be records of the National Archives and Records Service of the General Services Administration. Access to such records shall be granted on nondiscriminatory terms.

"(2) Nothing in this Act shall be construed to confirm, limit, or expand any constitutionally-based privilege which may be available to an incumbent or former President.

"(d) Upon the death or disability of a President or former President, any discretion or authority the President or former President may have had under this chapter shall be exercised by the Archivist unless otherwise previously provided by the President or former President in a written notice to the Archivist.

"(e) The United States District Court for the District of Columbia shall have jurisdiction over any action initiated by the former President asserting that a determination made by the Archivist violates the former President's rights or privileges. Jurisdiction.

"§ 2205. Exceptions to restricted access 44 USC 2205.

"Notwithstanding any restrictions on access imposed pursuant to section 2204—

"(1) the Archivist and persons employed by the National Archives and Records Service of the General Services Administration who are engaged in the performance of normal archival work shall be permitted access to Presidential records in the custody of the Archivist;

"(2) subject to any rights, defenses, or privileges which the United States or any agency or person may invoke, Presidential records shall be made available—

"(A) pursuant to subpena or other judicial process issued by a court of competent jurisdiction for the purposes of any civil or criminal investigation or proceeding;

"(B) to an incumbent President if such records contain information that is needed for the conduct of current business of his office and that is not otherwise available; and

"(C) to either House of Congress, or, to the extent of matter within its jurisdiction, to any committee or subcommittee thereof if such records contain information that is needed for the conduct of its business and that is not otherwise available; and

"(3) the Presidential records of a former President shall be available to such former President or his designated representative.

"§ 2206. Regulations 44 USC 2206.

"The Archivist shall promulgate in accordance with section 553 of title 5, United States Code, regulations necessary to carry out the provisions of this chapter. Such regulations shall include—

"(1) provisions for advance public notice and description of any Presidential records scheduled for disposal pursuant to section 2203(f)(3);

"(2) provisions for providing notice to the former President when materials to which access would otherwise be restricted pursuant to section 2204(a) are to be made available in accordance with section 2205(2);

"(3) provisions for notice by the Archivist to the former President when the disclosure of particular documents may adversely affect any rights and privileges which the former President may have; and

"(4) provisions for establishing procedures for consultation between the Archivist and appropriate Federal agencies regarding materials which may be subject to section 552(b)(7) of title 5, United States Code.

"§ 2207. Vice-Presidential records 44 USC 2207.

"Vice-Presidential records shall be subject to the provisions of this chapter in the same manner as Presidential records. The duties and responsibilities of the Vice President, with respect to Vice-Presidential records, shall be the same as the duties and responsibilities of the President under this chapter with respect to Presidential records. The authority of the Archivist with respect to Vice-Presidential rec- Depository agreement.

ords shall be the same as the authority of the Archivist under this chapter with respect to Presidential records, except that the Archivist may, when the Archivist determines that it is in the public interest, enter into an agreement for the deposit of Vice-Presidential records in a non-Federal archival depository. Nothing in this chapter shall be construed to authorize the establishment of separate archival depositories for such Vice-Presidential records.".

(b)(1) The table of chapters for title 44, United States Code, is amended by inserting immediately after the item relating to chapter 21 the following new item:

"22. Presidential Records ..... 2201".

(2) Section 2107 of title 44, United States Code, is amended by adding at the end thereof the following new sentence: "This section shall not apply in the case of any Presidential records which are subject to the provisions of chapter 22 of this title.".

(3) Section 2108(c) of title 44 is amended by adding at the end thereof the following: "Only the first two sentences of this subsection shall apply to Presidential records as defined in section 2201(2) of this title.".

EFFECTIVE DATE

44 USC 2201 note.

SEC. 3. The amendments made by this Act shall be effective with respect to any Presidential records (as defined in section 2201(2) of title 44, as amended by section 2 of this Act) created during a term of office of the President beginning on or after January 20, 1981.

SEPARABILITY

44 USC 2201 note.

SEC. 4. If any provision of this Act is held invalid for any reason by any court, the validity and legal effect of the remaining provisions shall not be affected thereby.

Approved November 4, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1487, pt. I (Comm. on Government Operations).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 10, considered and passed House.
Oct. 13, considered and passed Senate, amended.
Oct. 15, House concurred in Senate amendments.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 14, No. 45:
Nov. 6, Presidential statement.

Public Law 95-592
95th Congress

An Act

To amend the Public Works and Economic Development Act of 1965 to authorize a program of research, development, and demonstration of guayule rubber production and manufacture as an economic development opportunity for the Southwestern States.

Nov. 4, 1978
[S. 1816]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Native Latex Commercialization and Economic Development Act of 1978".

Native Latex Commercialization and Economic Development Act of 1978.
7 USC 178 note.

SEC. 2. (a) Congress recognizes that natural latex rubber is a commodity of vital importance to the economy, the defense, and the general well-being of the Nation. The United States is totally dependent upon foreign sources for its supplies of natural (Hevea) latex, which total about one million tons per year. Synthetic rubber, manufactured from petroleum feedstocks, cannot be substituted for natural rubber.

(b) Congress further recognizes that certain plant species of the genus Parthenium (Guayule), native to Texas and the Republic of Mexico, as well as other plants, are known to contain commercial quantities of extractable rubber. During World War II, through research carried out by the Secretary of Agriculture in the Emergency Rubber Project, the United States demonstrated that Parthenium latex is a promising and realistic substitute for Hevea latex.

(c) Congress further recognizes that additional research and development are needed, especially into methods for increasing latex yields, before commercialization of native Parthenium latex or other hydrocarbon-containing plants by private industry is feasible.

(d) Congress further recognizes that the development of a domestic natural rubber industry, based on Parthenium and other hydrocarbon-containing plants, would not only relieve the Nation's dependence upon foreign latex sources but also convey substantial economic benefits to peoples living in arid and semiarid regions of the United States. Such an industry would comprise the agricultural production of the hydrocarbon-containing plants and the development of commercial processing and manufacturing facilities to extract the latex and other products.

(e) Congress further recognizes that ongoing research into the commercialization of native latex has been conducted by the Department of Agriculture and by the Department of Commerce through the regional commissions and that these research efforts should be continued and expanded.

(f) It is the policy of the Congress, therefore, to provide for the development and demonstration of economically feasible means of culturing and manufacturing Parthenium and other hydrocarbon-containing plants for the extraction of natural rubber and other products to benefit the Nation and promote economic development.

Definitions.
7 USC 178a.

SEC. 3. As used in this Act—

(a) The term "State" means each of the fifty States, the District of Columbia, and the Commonwealth of Puerto Rico.

(b) The term "Secretaries" means the Secretary of Agriculture and/or the Secretary of Commerce acting each separately or jointly.

(c) The term "commercialization" means the stage in the development or advancement of a technology at which point private enterprise is willing to invest in a full-scale production facility.

(d) The term "native" means hydrocarbon-containing plants which may be cultured in North America, especially members of the genus Parthenium known as Guayule.

(e) "Regional Commissions" means the Regional Action Planning Commissions established pursuant to title V of the Public Works and Economic Development Act of 1965.

42 USC 3181.

Joint Commission on Guayule Research and Commercialization.
7 USC 178b.

SEC. 4. (a) There is hereby established a Joint Commission on Guayule Research and Commercialization, hereinafter referred to as the Joint Commission. The function of the Joint Commission shall be to assist the Secretaries in carrying out the purposes of this Act.

(b) The Joint Commission shall consist of the following members: Three individuals designated by the Secretary of Agriculture from among the staff of his Department; three individuals designated by the Secretary of Commerce at least two of whom shall be Federal Cochairmen of Regional Commissions engaged in the support of native latex research, development, demonstration, or commercialization activities and one of whom shall be selected from among the members of his Department; a representative of the Bureau of Indian Affairs of the Department of the Interior; and a representative of the National Science Foundation.

(c) The Joint Commission shall be headed by a Chairman. The Secretary of Agriculture shall designate one of the two members from his Department to serve as Joint Commission Chairman during the first two-year period following the enactment of this Act, and the Secretary of Commerce shall designate one of the two members from his Department as Joint Commission Chairman during the second two-year period following the enactment of this Act. And the same process of designating Joint Commission Chairmen shall be followed in ensuing years.

(d) The Secretaries may delegate to the Joint Commission one or more of their responsibilities under this Act and transfer to the Joint Commission funds appropriated to carry out the purposes of this Act as they deem appropriate to achieve the purposes of this Act, and the Joint Commission is authorized to carry out such functions and expend such funds to achieve the purposes of the Act.

Functions.

(e) The Joint Commission shall—

(1) develop a plan establishing goals, timetables, and tasks to be undertaken in carrying out the purposes of this Act;

(2) establish broad policy for implementing the plan carrying out the purposes of this Act;

(3) establish criteria for evaluating and awarding contracts for research, development, and demonstration projects; and

(4) review and advise the Secretaries with respect to grants, contracts, and other project expenditures.

(f) The Secretaries are authorized to provide without reimbursement such administrative support services, including the detail of staff personnel not to exceed a total of five persons from each Department, as the Joint Commission may need to carry out its functions.

Report to Congress.

(g) One year after the enactment of this Act, and each year thereafter, the Joint Commission shall provide to the Congress a report on the implementation of the Act. Such report shall (1) recommend specific directions for further research, development, and other work, and (2) recommend funding levels for various elements of the overall project.

(h) To the maximum extent possible, the Secretaries and the Joint Commission shall seek the advice of the scientific, engineering and business communities with respect to the activities carried out under this Act. The Secretaries and the Commission shall specifically seek the advice of persons with expertise in appropriate fields of agricultural research in land grant colleges and other universities, in State agricultural experiment stations, and in other appropriate organizations; and, persons with expertise in rubber manufacturing and commerce in private enterprise and other appropriate organizations.

SEC. 5. The Secretary of Agriculture shall conduct, sponsor, promote, and coordinate basic and applied research, technology development, and technology transfer leading to effective and economical methods for large-scale culturing of plantations and the extraction of latex from Parthenium or other hydrocarbon-containing plants. Such research shall include, but not be limited to— 7 USC 178c.

(a) carrying out extensive seed collections from wild plants in Texas, Mexico, and other areas and borrowing or purchasing seeds from other sources;

(b) developing a stockpile of Parthenium seeds, such stockpile to be appropriately classified and stored at a suitable facility;

(c) carrying out breeding and selection programs for the purpose of improving latex yields, expanding insect and disease resistance, and broadening the ranges of drought and cold tolerance of the Parthenium plant;

(d) establishing a system of experimental plantings in arid and semiarid regions of the United States having suitable climatic and soil conditions for the culture of Parthenium;

(e) carrying out specific studies on the effects of irrigation on plant growth and latex yield and survival potential;

(f) developing equipment needed to carry out nursery operations, planting, cultivating, harvesting, transporting the crop, and other necessary agricultural activities;

(g) further refining present extraction technologies and future extraction technologies, including technologies which utilize solar energy; and

(h) establishing and maintaining a bank of all pertinent research data on native latex including extant United States Government publications and records from the emergency rubber project. Such data shall be made available to other Federal and State agencies and private persons who are interested or involved in native latex research, development, or manufacture. Data bank, establishment.

SEC. 6. The Secretary of Commerce is authorized and directed to initiate and carry out research, technology development, technology transfer, and demonstration projects to test and demonstrate the economic feasibility of the manufacture and commercialization of natural rubber from Parthenium or other hydrocarbon-containing plants. Such research may be carried out through the Regional Commissions or otherwise and shall include but not be limited to— 7 USC 178d.

(a) conducting research and development on extraction and processing techniques;

(b) economic analysis of the production of native latex, including usable byproducts;

(c) studying the environmental, social, and economic impacts of the commercial development of native latex;

(d) evaluating the commercial marketability of Parthenium and rubber derived from other hydrocarbon-containing plants;

(e) further refining present extraction and manufacturing technologies and future extraction and manufacturing technologies, including technologies which utilize solar energy; and

(f) developing pertinent material and records on manufacturing of natural rubber which shall be available to other Federal and State agencies and private persons who are interested in or involved in natural rubber development, or manufacture.

Cooperative projects with Mexico.
7 USC 178e.

SEC. 7. The Secretaries, in consultation with the Secretary of State, are authorized and encouraged to enter into cooperative projects with the Government of Mexico in order to accomplish appropriate aspects of the research and development provided for in this Act. Such cooperative projects should include, but not be limited to, projects to determine the economic feasibility of latex extraction and processing.

7 USC 178f.

SEC. 8. The Secretaries are authorized to accept financial or other assistance from any State or public agency to aid in carrying out the provisions of this Act and to enter into contracts with respect to such assistance and to enter into agreements with any State or public agency for the purpose of demonstrating, transferring, or applying results of research or methods of economic development relating to native latex.

7 USC 178g.

SEC. 9. In carrying out the provisions of this Act, the Secretary of Agriculture is authorized to—

Grants.

(a) make grants to States, education institutions, scientific organizations, and Indian tribes as defined in the Indian Self-Determination and Education Assistance Act (Public Law 93-638, 25 U.S.C. 450), and enter into contracts with such institutions and organizations and with industrial or engineering firms;

(b) acquire the services of biologists, agronomists, foresters, geneticists, chemists, engineers, economists, and other personnel by contract or otherwise;

(c) utilize the facilities of Federal and State scientific laboratories;

(d) establish and operate necessary facilities and plantations to carry out the continuous research, testing, development, and programing necessary to effectuate the purposes of this Act;

(e) acquire secret processes, technical data, inventions, patent applications, patents, licenses, land and interest in land (including water rights), facilities, and other property or rights by purchase, license, lease, or donation;

(f) assemble and maintain pertinent and current literature and publications, patents and licenses, land and interests in land;

(g) cause onsite inspections to be made of promising projects, domestic or foreign, and, in the case of projects located in the United States, cooperate and participate in their development when the Secretary determines that the purpose of this Act will be served thereby;

(h) foster and participate in regional, national, and international conferences relating to native latex culture;

(i) coordinate, correlate, and publish information with a view to advancing the development of native latex technology; and

(j) cooperate with other Federal departments and agencies, with State and local departments, agencies, and instrumentalities, and with interested persons, firms, institutions, and organizations.

7 USC 178h.

SEC. 10. In carrying out the provisions of this section, the Secretary of Commerce, acting through the Regional Commissions or otherwise, is authorized to—

Grants.

(a) make grants to States, education institutions, scientific organizations, and Indian tribes as defined in the Indian Self-Determination and Education Assistance Act (Public Law 93-638, 25 U.S.C. 450), and enter into contracts with such institutions and organizations and with industrial or engineering firms;

(b) acquire the services of biologists, agronomists, foresters, geneticists, engineers, economists, and other personnel by contract or otherwise;

(c) utilize the facilities of Federal and State institutions and other scientific laboratories;

(d) establish and operate necessary facilities and pilot plants to carry out the continuous research, testing, development, and programing necessary to effectuate the purposes of this section;

(e) acquire secret processes, technical data, invention, patent applications, patents, licenses, land and interests in land (including water rights), plants and facilities, and other property or rights by purchase, license, lease, or donation; and

(f) foster and participate in regional, national, and international conferences relating to natural rubber manufacture.

7 USC 178i.

SEC. 11. In carrying out the provisions of this Act, the Secretaries and the Joint Commission shall insure that their activities are closely coordinated with the activities of other Federal agencies such as the Department of the Interior, National Science Foundation, Bureau of Indian Affairs, Department of Energy, Department of Defense, Treasury Department, Federal Preparedness Agency, and others in order to prevent duplication of effort, insure compatibility with ongoing programs and policies, and to fully exploit the opportunities inherent in the culture and manufacture of native latex.

Coordination of activities with Federal agencies.

SEC. 12. Relative to the definitions of, title to, and licensing of inventions made or conceived in the course of or under any contract or grant pursuant to this Act, and notwithstanding any other provisions of law, the provisions of sections 9 and 10 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908-9) shall govern.

7 USC 178j.

7 USC 178k.

SEC. 13. The Secretary of Agriculture and the Secretary of Commerce may dispose of any latex, resin, wax, pulp, and any other byproducts resulting from operations under this Act. All moneys received from dispositions under this section shall be paid into the Treasury as miscellaneous receipts.

Rules and regulations.

SEC. 14. The Secretary of Agriculture and the Secretary of Commerce may issue rules and regulations necessary to effectuate the purposes of this Act.

7 USC 178l.

Report to President and Congress.

SEC. 15. The Secretary of Agriculture and the Secretary of Commerce shall submit to the President and the Congress, no later than December 31, 1980, and each year thereafter through 1982, a report on the status of the research, development, and other work underway under this Act. Such report shall (1) recommend specific directions for further research, development and other work, and (2) recommend funding levels for various elements of the overall project.

7 USC 178m.

Appropriation authorization. 7 USC 178n.

SEC. 16. (a) There is authorized to be appropriated to the Secretary of Agriculture $2,500,000 for each of the fiscal years ending September 30, 1980, and September 30, 1981, and $5,000,000 for each of the fiscal years ending September 30, 1982, and September 30, 1983, to carry out the purposes of this Act. Funds appropriated under this paragraph shall be available for obligation until the last day of the fiscal year after the year for which such funds are authorized.

(b) There is authorized to be appropriated to the Secretary of Commerce $2,500,000 for each of the fiscal years ending September 30, 1980, and September 30, 1981, and $5,000,000 for each of the fiscal years ending September 30, 1982, and September 30, 1983, to carry out the purposes of this Act. Funds appropriated under this paragraph shall be available for obligation until the last day of the fiscal year after the year for which such funds are authorized.

(c) No more than 3 per centum of funds authorized under subsections (a) and (b) shall be available for administration and management of the program.

(d) Notwithstanding any other provision of this Act the authority to enter into contracts shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriations Acts.

SEC. 17. Section 320 of the Agricultural Adjustment Act of 1938 as added by the Act of September 3, 1974 (88 Stat. 1089; 7 U.S.C. 1314f) is amended by adding a new sentence at the end thereof as follows: "Notwithstanding any other provision of law, no marketing quota penalties shall be assessed as a result of the marketing of 1975 crop Maryland tobacco (Type 32) which was determined through the application of the Federal Standards of Inspection and Identification of quota types to be Burley tobacco (Type 31) under the provisions of this section.".

Approved November 4, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1512, Pts. I and II, accompanying H.R. 12559 (Comm. on Science and Technology and Comm. on Agriculture)
SENATE REPORT No. 95-829 (Comm. on Environment and Public Works).
CONGRESSIONAL RECORD, Vol. 124 (1978):
May 26, considered and passed Senate.
Sept. 19, H.R. 12559 considered and passed House; passage vacated and S. 1816, amended, passed in lieu.
Oct. 7, Senate concurred in House amendment with an amendment.
Oct. 14, House concurred in Senate amendment with an amendment.
Oct. 15, Senate concurred in House amendment.

Public Law 95-593
95th Congress

An Act

To improve the administration and operation of the Overseas Citizens Voting Rights Act of 1975, and for other purposes.

Nov. 4, 1978
[S. 703]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Overseas Citizens Voting Rights Act of 1975 (42 U.S.C. 1973dd) is amended—

Overseas Citizens Voting Rights Act of 1975, amendment.

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following new paragraph:

"(4) 'official postcard' means a postcard application for registration to vote and for an absentee ballot in the form provided in section 204(d) of the Federal Voting Assistance Act of 1955 (42 U.S.C. 1973cc-14(d)).".

SEC. 2. Section 3 of the Overseas Citizens Voting Rights Act of 1975 (42 U.S.C. 1973dd-1) is amended by inserting before the period the following: "or, in lieu thereof, an alternative form of identification consistent with this Act and applicable State or district requirements, if a citizen does not possess a valid passport or card of identity and registration".

SEC. 3. Section 4 of the Overseas Citizens Voting Rights Act of 1975 (42 U.S.C. 1973dd-2) is amended by adding at the end thereof the following new subsection:

"(c) In carrying out the provisions of this section, it is recommended that each State—

"(1) accept any official postcard which is duly executed by any person who meets the requirements in section 3 of this Act as a simultaneous application for registration under such State's election laws and for an absentee ballot under such State's absentee balloting laws;

"(2) if a special application is required for registration by mail, provide that the necessary forms will be sent with the absentee ballot and may be returned with it;

"(3) authorize and instruct the State or local election officials, upon receipt of any official postcard application or any other application for registration to vote or an absentee ballot, to mail immediately to the applicant a ballot, instructions for voting and returning the ballot, and a self-addressed envelope; and

"(4) provide that there be printed across the face of each envelope the words 'Official Election Balloting Material—Via Air Mail', or similar language.".

SEC. 4. The Overseas Citizens Voting Rights Act of 1975 (42 U.S.C. 1973dd et seq.) is amended—

(1) by redesignating sections 5, 6, 7, and 8 as sections 7, 8, 9, and 10, respectively; and

(2) by inserting after section 4 the following new sections:

42 USC 1973dd-3-1973dd-5, 1973dd note.

"CURRENT ABSENTEE VOTING INFORMATION

42 USC 1973dd-2a.

"SEC. 5. (a) The Presidential designee under section 201 of the Federal Voting Assistance Act of 1955 (42 U.S.C. 1973cc-11) (hereinafter in this Act referred to as the 'Presidential designee') shall request, when appropriate, each State to furnish him with information on the current absentee registration and voting procedures of each State pertaining to citizens entitled to vote in Federal elections under this Act. Such information shall include election dates, officers to be elected, any provisions under such State's law requiring the removal of the name of any person from such State's voter registration roll (for whatever reason), and information related to the number of absentee voters in such State who are entitled to vote in Federal elections under this Act. Where consistent with their respective duties, appropriate departments or agencies of the Federal Government shall assist and cooperate with the Presidential designee, both in the collection of such information and in its dissemination to persons who meet the requirements in section 3 of this Act.

"(b) The Secretary of State shall publicize, in the manner best designed to reach the persons meeting the requirements in section 3 of this Act—

"(1) the right of such persons to vote in Federal elections and the procedures available to such persons to enforce that right, as provided in this Act; and

"(2) with the assistance of the Postmaster General, the availability of expedited mail delivery of balloting material under this Act.

The Presidential designee shall notify all appropriate State and local election officials of such availability under this Act and under the Federal Voting Assistance Act of 1955 (42 U.S.C. 1973cc et seq.).

"PRINTING AND TRANSMITTING OF POSTCARDS; FREE POSTAGE; PUBLICITY

42 USC 1973dd-2b.

"SEC. 6. (a) The Administrator of General Services shall cause to be printed and distributed to the Department of Justice, the Department of State, and any other appropriate department or agency of the Federal Government official postcards for use in accordance with the provisions of this Act as directed by the Presidential designee. Such departments or agencies shall deliver or make available such postcards to persons meeting the requirements in section 3 of this Act not later than August 15 immediately before any general Federal election for use in such election. To the extent practicable, such postcards shall also be made available at appropriate times to such persons for use in special or primary Federal elections.

"(b)(1) The Postmaster General, the Attorney General, the Secretary of State, and the head of any other appropriate department or agency of the Federal Government shall facilitate the transmission of balloting material, including official postcards, absentee ballots, voting instructions, and envelopes for the return of such ballots, to and from persons meeting the requirements in section 3 of this Act.

"(2) Any balloting material sent from the United States to any person meeting the requirements in section 3 of this Act shall be sent

by priority airmail or by the most expedited postal service available.

"(3) Any balloting material sent to the United States by any person meeting the requirements in section 3 of this Act shall be returned by priority airmail or by the most expedited service available, wherever practicable. Such material may be mailed from any Armed Forces post office in an overseas area established as provided in section 406 of title 39, United States Code, unless otherwise prohibited by any treaty or other agreement between the United States and a foreign country. In the case of ballots executed outside the United States by any person, such ballots may be segregated from other forms of mail and placed in special bags marked with special tags printed and distributed by the Postmaster General for this purpose.

"(c) Official postcards, ballots, voting instructions, and envelopes, whether transmitted individually or in bulk, shall be free of postage, including airmail postage, when sent from the United States in the United States mails.".

SEC. 5. Section 9 of the Overseas Citizens Voting Rights Act of 1975 (42 U.S.C. 1973dd-5), as so redesignated in section 4(1), is amended—

(1) by inserting "(a)" before "Nothing"; and

(2) by adding at the end thereof the following new subsection:

"(b) The exercise of any right to register or vote in Federal elections by any citizen outside the United States shall not affect the determination of his place of residence or domicile for purposes of any tax imposed under Federal, State, or local law.".

SEC. 6. The Overseas Citizens Voting Rights Act of 1975 (42 U.S.C. 1973dd et seq.), as amended in section 4, is further amended by adding at the end thereof the following new section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 11. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.". 42 USC 1973dd-6.

SEC. 7. Section 101 of the Federal Voting Assistance Act of 1955 (42 U.S.C. 1973cc) is amended—

(1) by inserting "(a)" before "The"; and

(2) by adding at the end thereof the following new subsection:

"(b) Each State shall enable every citizen in the following categories who is absent from the place of his voting residence to register absentee and to vote by absentee ballot in any Federal election, as defined in section 2(1) of the Overseas Citizens Voting Rights Act of 1975 (42 U.S.C. 1973dd(1)), held in his election district or precinct if he is otherwise eligible to vote in that election:

"(1) Members of the Armed Forces while in the active service, and their spouses and dependents.

"(2) Members of the Merchant Marine of the United States, and their spouses and dependents.

The rights granted in this section shall be supplemental to the voting rights presently enjoyed by these citizens under other Federal and State laws.".

SEC. 8. Section 202 of the Federal Voting Assistance Act of 1955 (42 U.S.C. 1973cc-12) is amended by inserting after "voting procedures," the following: "any provision under such State's law requir-

ing the removal of the name of any person from such State's registration roll (for whatever reason), information related to the number of absentee voters in a State who are entitled to vote in Federal elections under this Act,".

SEC. 9. Section 203 of the Federal Voting Assistance Act of 1955 (42 U.S.C. 1973cc-13) is amended—

(1) in paragraph (1), by striking out "Council of State Governments" and inserting in lieu thereof "government of the several States"; and

(2) by striking out paragraph (3) and inserting in lieu thereof the following new paragraph:

"(3) the Postmaster General and the heads of the departments and agencies concerned to facilitate the transmission of balloting materials to and from persons to whom this Act is applicable. Any balloting material sent from the United States to such persons shall be sent by priority airmail or by the most expedited postal service available. Any balloting material sent to the United States by such persons shall be returned by priority airmail or by the most expedited service available, wherever practicable. In the case of ballots executed outside the United States by any such person, such ballots may be segregated from other forms of mail and placed in special bags marked with special tags printed and distributed for this purpose.".

SEC. 10. Section 204 of the Federal Voting Assistance Act of 1955 (42 U.S.C. 1973cc-14) is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding the provisions of subsections (a), (b), and (c), the Presidential designee shall design, for purposes of carrying out the provisions of this Act and the Overseas Citizens Voting Rights Act of 1975, a single form of postcard application for registration to vote and for an absentee ballot. The Presidential designee is empowered to promulgate such form by regulation and upon adoption of such form, subsections (a), (b), and (c) of this section shall have no effect.".

SEC. 11. (a) Section 2401(c) of title 39, United States Code, is amended—

(1) by inserting after "title" a comma and the following: "the Overseas Citizens Voting Rights Act of 1975,"; and

(2) by striking out "Act" before the period and inserting in lieu thereof "Acts".

(b) Section 3627 of title 39, United States Code, is amended by striking out "or under the Federal Voting Assistance Act of 1955" and inserting in lieu thereof "under the Federal Voting Assistance Act of 1955, or under the Overseas Citizens Voting Rights Act of 1975".

(c) Section 3626 of title 39, United States Code, is amended by adding at the end thereof the following new subsection:

"(e)(1) In the administration of this section, the rates for third-class mail matter mailed by a qualified political committee shall be the rates currently in effect under former section 4452 of this title for third-class mail matter mailed by a qualified nonprofit organization.

"(2) For purposes of this subsection— Definitions.

"(A) the term 'qualified political committee' means a national or State committee of a political party, the Republican and Democratic Senatorial Campaign Committees, the Democratic National Congressional Committee, and the National Republican Congressional Committee;

"(B) the term 'national committee' means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the national level; and

"(C) the term 'State committee' means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the State level.".

Approved November 4, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1568 (Comm. on House Administration).
SENATE REPORT No. 95-121 (Comm. on Rules and Administration).
CONGRESSIONAL RECORD:
Vol. 123 (1977): May 9, considered and passed Senate.
Vol. 124 (1978): Sept. 19, considered and passed House, amended.
Oct. 13, Senate concurred in House amendment.

Public Law 95-594
95th Congress

Joint Resolution

Nov. 4, 1978
[H.J. Res. 1173]

Relative to the convening of the first session of the Ninety-sixth Congress, and for other purposes.

96th Congress. First session.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the first regular session of the Ninety-sixth Congress shall begin at 12 o'clock meridian on January 15, 1979.

Budget and Economic Report, transmittal to Congress.

SEC. 2. That (a) notwithstanding the provisions of section 201 of the Act of June 10, 1922, as amended (31 U.S.C. section 11), the President shall transmit to the Congress not later than January 22, 1979, the budget for the fiscal year 1980, and (b) notwithstanding the provisions of section 3 of the Act of February 20, 1946, as amended (15 U.S.C. section 1022), the President shall transmit to the Congress not later than January 22, 1979, the Economic Report.

Budget estimates, submittal to Congress.

SEC. 3. That (a) notwithstanding the provisions of section 605(a) of the Congressional Budget and Impoundment Control Act of 1974 (31 U.S.C. 11(a)), the President shall submit to the Senate and the House of Representatives the estimates required to be submitted by said subsection for the Fiscal Year 1980 not later than the date on which the President transmits to the Congress the budget for the Fiscal Year 1980, and (b) notwithstanding the provisions of section 605(b) of the Congressional Budget and Impoundment Control Act of 1974, the Joint Economic Committee shall submit to the Committees on the Budget of both Houses the evaluation required to be submitted by said subsection for the Fiscal Year 1980 not later than the date on which the report for the Fiscal Year 1980 pursuant to section 5(b)(3) of the Employment Act of 1946 (15 U.S.C. 1024b) is filed with the Senate and House of Representatives.

15 USC 1024.

Approved November 4, 1978.

LEGISLATIVE HISTORY:

CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 15, considered and passed House and Senate.

Public Law 95-595
95th Congress

An Act

To amend the Budget and Accounting Procedures Act of 1950 to require that the Comptroller General provide for a financial audit with respect to pension plans for officers and employees of the Federal Government and its agencies and instrumentalities, to require that an annual report, including a financial statement and an actuarial statement, be furnished to the Congress and the Comptroller General with respect to such plans, and for other purposes.

Nov. 4, 1978
[H.R. 9701]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Budget and Accounting Procedures Act of 1950, amendment.
31 USC 1 note.
31 USC 65 *et seq.*

SECTION 1. Part II of title I of the Budget and Accounting Procedures Act of 1950 (64 Stat. 832) is amended by adding at the end thereof the following new matter:

"Subpart C

"FEDERAL GOVERNMENT PENSION PLANS

31 USC 68.

"SEC. 120. It is the purpose of this subpart to protect the interests of the Nation and of the participants and their beneficiaries in Federal Government pension plans and certain other pension plans by requiring full disclosure of the financial condition of such plans.

31 USC 68a.

"SEC. 121. (a) Notwithstanding any other provision of law or any administrative determination to the contrary, each Federal Government pension plan and each plan described in section 123(b), except as specified in subsection (b) of this section, shall be deemed to be subject to the provisions of section 103 of the Employee Retirement Income Security Act of 1974 in the same manner as an employee pension benefit plan to which such section applies, except that, with respect to such a Federal Government pension plan or a plan described in section 123(b)—

29 USC 1023.

"(1) the annual report required by such section shall be in such form, and shall include such information and data, as the President, in consultation with the Comptroller General (or in the case of a plan described in section 123(a)(9) or 123(b), the Comptroller General) may prescribe;

"(2) the annual report required by such section shall be furnished to the Congress and to the Comptroller General, not later than the end of the two hundred and ten-day period beginning on the day after the last day of the plan year involved;

"(3) unless specifically authorized by the Comptroller General, no provision of such section which provides for waiver of, relief from, or exception to any requirement otherwise applicable to an employee pension benefit plan shall be deemed to apply to such Federal Government pension plan or such plan described in section 123(b);

"(4) the provisions of section 104(b) of such Act shall not apply;

29 USC 1024.

"(5) the report required by this subpart shall be in addition to and shall not supersede other reports or projections required by law; and

"(6) other than in the case of a plan described in section 123(b), the Comptroller General shall perform such audits as the Comptroller General deems appropriate in lieu of the requirements for the independent qualified public accountant under section 103 of the Employee Retirement Income Security Act of 1974.

29 USC 1023.

"(b) Nothing in this subpart shall be construed as imposing any requirement with respect to a Federal Government pension plan for officers or employees of the Central Intelligence Agency, unless the imposition of such requirement is specifically approved in writing by the President.

"(c) Nothing in this Act shall preclude the use by a plan of the services of an enrolled actuary employed by the agency or agencies administering the plan.

31 USC 68b.

"SEC. 122. If requested by either House of Congress (or any committee thereof) or if deemed necessary by the Comptroller General, the General Accounting Office shall—

"(1) review financial and actuarial statements furnished pursuant to section 121 for the purpose of determining whether the reporting requirements of such section are adequate to carry out the purpose of this subpart; and

Recommendations, submittal to Congress.

"(2) submit to the Congress such recommendations for legislative action as it may deem necessary to carry out the purposes of this subpart.

"Federal Government pension plan."
31 USC 68c.
29 USC 1001 note.
26 USC 3101.
26 USC 3201.
29 USC 1002.

"SEC. 123. (a) For purposes of this subpart, the term 'Federal Government pension plan' means a pension, annuity, retirement, or similar plan (other than a plan covered under the Employee Retirement Income Security Act of 1974, or any plan or program which is financed by contributions required under chapter 21 of the Internal Revenue Code of 1954 (the Federal Insurance Contributions Act) or chapter 22 of the Internal Revenue Code of 1954 (the Railroad Retirement Tax Act)), whether or not such plan is an employee pension benefit plan within the meaning of section 3(2) of the Employee Retirement Income Security Act of 1974, established or maintained by the Government of the United States, or any agency or instrumentality thereof, for any of its officers or employees, without regard to the number of participants covered by such plan, and such term includes but is not limited to the following plan:

"(1) Civil Service Retirement System;

"(2) Foreign Service Retirement and Disability System;

"(3) Military Retirement System;

"(4) Coast Guard Retirement System;

"(5) Commissioned Corps of the Public Health Service Retirement System;

"(6) National Oceanic and Atmospheric Administration Retirement System;

"(7) Tennessee Valley Authority Retirement System;

"(8) nonappropriated fund plans; and

"(9) judicial plans.

"(b) For purposes of this subpart, the plans described in section 123(b) are the following (other than any of the following which are covered under the Employee Retirement Income Security Act of 1974): 29 USC 1001 note.

"(1) Federal Reserve Employees Retirement Plans;

"(2) Federal Home Loan Bank Board Retirement Systems;

"(3) Federal Home Loan Mortgage Corporation Plan; and

"(4) Farm Credit District Retirement Plans.

"SEC. 124. The requirement imposed by section 121(a) shall apply with respect to plan years beginning after September 30, 1978. For purposes of this section, the term 'plan year' means with respect to a plan, the calendar, policy, or fiscal year chosen by the plan on which the records of the plan are kept.". 31 USC 68d. "Plan year."

SEC. 2. Part II of title I of the Budget and Accounting Procedures Act of 1950 (64 Stat. 832) is further amended— 31 USC 65.

(1) by inserting after "PART II—ACCOUNTING AND AUDITING" the following new center heading:

"Subpart A";

and

(2) by inserting after section 111 the following new center heading:

"Subpart B".

Approved November 4, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1678 (Comm. on Government Operations).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Oct. 10, considered and passed House.
Oct. 15, considered and passed Senate.

Public Law 95-596
95th Congress

Joint Resolution

Nov. 4, 1978
[S.J. Res. 160]

To initiate preliminary studies for the restoration and renovation of the Pension Building in Washington, District of Columbia, to house a Museum of the Building Arts, and for other purposes.

Pension Building, D.C. Restoration and renovation, preliminary studies.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congress finds and declares that the Federal Building in the District of Columbia, operated and managed by the General Services Administration and known as the Pension Building, is unique, historic, constitutes an architectural treasure belonging to the people of the United States, and must be restored and properly utilized.

(b) The Congress further declares that the Pension Building would most appropriately be dedicated to the public use as the Nation's Museum of the Building Arts, benefiting this and future generations.

Existing conditions study.

SEC. 102. The Administrator of General Services is authorized and directed to prepare an existing conditions study of the Pension Building, located in the block bounded by Fourth Street, Fifth Street, "F" Street, and "G" Street, Northwest, in the District of Columbia. After consultation with the Secretary of the Smithsonian Institution and the Chairman of the National Endowment for the Arts, he shall prepare drawings, together with preliminary cost estimates, for the restoration and renovation of the Pension Building, in its entirety, to house the Museum of the Building Arts. Such drawings shall be consistent with and provide space for the functions and facilities proposed in the report of the Committee for a National Museum of the Building Arts, Incorporated, dated January 1978, and on file at the National Endowment for the Arts, including alternative treatment of the facilities listed in subsection 104(d) which may require structural modifications of the Pension Building. Such drawings and estimates, together with the existing conditions study, shall be submitted to the Committee on Environment and Public Works of the Senate, and to the Committee on Public Works and Transportation of the House of Representatives, not later than November 1, 1978.

Drawings and estimates, submittal to congressional committees.

Report to congressional committees.

SEC. 103. The Chairman of the National Endowment for the Arts is requested to report to the Committee on Environment and Public Works of the Senate, and to the Committee on Public Works and Transportation of the House of Representatives, not later than November 1, 1978, his initial observations and opinions with respect to—

(a) the prospects for private funding of museum operations, including an appraisal listing the potential sources of financial support, together with a preliminary estimate of the amount of such support which might reasonably be anticipated; and

(b) such other factors as, in his opinion, may contribute to the feasibility of the proposed museum.

Report to congressional committees.

SEC. 104. The Secretary of the Smithsonian Institution is requested to report to the Committee on Environment and Public Works of the Senate and to the Committee on Public Works and Transportation of the House of Representatives, not later than November 1, 1978, his initial comments and opinions concerning—

(a) the potential for visitation at the proposed museum, compared to visitation at Smithsonian museums in recent years;

(b) the potential for interaction between the proposed museum and existing collections and programs of the Smithsonian;

(c) the proportion of total space (based on the Secretary's experience with such Smithsonian Museums as Air and Space, Arts and Industries, and History and Technology) required for (i) inactive storage, (ii) the study of collections housed in the museum; (iii) staff offices; and (iv) public/exhibition use;

(d) the value and approximate costs of providing facilities to accommodate (i) food service; (ii) a museum shop; (iii) a computer service or center; and (iv) an auditorium, together with recommendations for optimum size and desirable features of such facilities.

Definitions.

SEC. 105. As used in this joint resolution, the term—

(a) "building arts" encompasses all practical and scholarly aspects of architecture; and landscape architecture; engineering; building and construction; urban planning, design, physical development, and renewal; and historic preservation;

(b) "museum" means the Museum of the Building Arts, as generally proposed by the Committee for a National Museum of the Building Arts, the primary purpose of which shall be (i) to create in the Nation's Capital a center to exhibit, demonstrate, and encourage contributions to the building arts and sciences, with an emphasis on American initiatives; (ii) to establish and operate a building arts documents archive, and a building arts reference library for citizens and public and private institutions; and (iii) to foster educational programs, to provide a forum for information exchange among professionals in the building arts, and to enhance understanding and appreciation of all facets of the building arts and sciences;

(c) "Administrator" means the Administrator of General Services;

(d) "Chairman" means the Chairman of the National Endowment for the Arts; and

(e) "Secretary" means the Secretary of the Smithsonian Institution.

SEC. 106. The Administrator shall insure that any occupants of the Pension Building shall be temporary pending establishment and occupancy of the building by the National Museum of the Building Arts; and that such occupants shall in no way conflict with, interfere with, or cause to delay efforts toward the restoration and renovation of the building to house the museum.

Appropriation authorizations.

SEC. 107. (a) For the purposes of section 102 of this joint resolution, the Administrator is authorized and directed to expend not to exceed $60,000 from funds available to him for the alteration and repair of buildings.

(b) For the purposes of section 103 of this joint resolution, the Chairman shall expend not more than $10,000 from funds available to him.

(c) For the purposes of section 104 of this joint resolution, the Secretary shall expend not more than $10,000 from funds available to him.

Approved November 4, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1776 (Comm. on Public Works and Transportation).
SENATE REPORT No. 95-1181 (Comm. on Environment and Public Works).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Sept. 15, considered and passed Senate.
Oct. 14, considered and passed House.

Public Law 95-597
95th Congress

An Act

Nov. 4, 1978
[H.R. 5646]

To amend the Regional Rail Reorganization Act of 1973 to require ConRail to make premium payments under certain medical and life insurance policies, to provide that ConRail shall be entitled to a loan under section 211(h) of such Act in an amount required for such premium payments, and to provide that such premium payments shall be deemed to be expenses of administration of the respective railroads in reorganization.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (6) of section 303(b) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743(b)(6)) is amended—

Regional Rail Reorganization Act of 1973, amendment.

(1) by redesignating such paragraph (6) as paragraph (6)(A), and by redesignating clauses (A) and (B) in the first sentence thereof as clauses (i) and (ii), respectively; and

(2) by adding at the end thereof the following new subparagraph:

"(B) The Corporation shall make such premium payments as may be necessary to maintain in effect any medical or life insurance policy which was maintained by a railroad in reorganization immediately prior to April 1, 1976, and which provides insurance benefits to individuals who retired, prior to April 1, 1976, from service with such a railroad. With respect to any such individual whose medical or life insurance coverage lapsed after April 1, 1976, due to nonpayment of premiums, the Corporation shall—

"(i) through the purchase of insurance or otherwise, provide medical or life insurance benefits of the same type and at the same or approximately the same level as were provided by the employer railroad in reorganization and in effect with respect to such individual immediately prior to April 1, 1976; and

"(ii) assume and pay any claim for such individual (or his personal representative) for any such insurance benefits, if—

"(I) such claim arose during the period beginning April 1, 1976, and ending on the date insurance coverage is provided pursuant to clause (i) of this subparagraph; and

"(II) such benefits were not paid by an insurer solely because of the lapse of the insurance coverage during such period.

The Corporation shall be entitled to a loan pursuant to section 211(h) of this Act in an amount required for the payment of insurance premiums and benefits described in this subparagraph. For purposes of section 211(h)(4)(A)(iii), amounts required for the payment of such premiums and benefits shall be deemed to be valid administrative claims against the respective estates of the railroads in reorganization, due and payable as of April 1, 1976, or, in the case of a railroad in reorganization which is not subject to a bankruptcy proceeding, such amounts shall be deemed to be obligations of such railroad, due and payable as of such date, and shall be reimbursable in accordance with the procedures set forth in paragraphs (4) and (5) of such section 211(h). As used in this subparagraph, the term 'railroad in reorganization' includes any railroad which is controlled by a rail-

45 USC 721.

"Railroad in reorganization."

road in reorganization but is not itself subject to a bankruptcy proceeding, if such railroad conveyed substantially all of its rail properties to the Corporation pursuant to paragraph (1) of this subsection and conducted operations over such rail properties prior to the date of such conveyance.".

45 USC 743 note.

SEC. 2. The conferring of administrative claim status on amounts paid for the insurance premiums and benefits described in the amendment made by the first section of this Act shall be effective solely for purposes of meeting the conditions set forth in section 211(h)(4)(A)(iii) of the Regional Rail Reorganization Act of 1973 with respect to which obligations of the estate of a railroad in reorganization may be paid pursuant to such section 211(h), and shall not be construed—

45 USC 721.

(1) as affecting the jurisdiction of the district court having jurisdiction over such a railroad in reorganization to determine whether such insurance premiums and benefits constitute enforceable contractual obligations of the estate of such a railroad for purposes of reimbursement under such section 211(h); or

(2) as establishing or reordering any priority which a claim against the estate of such a railroad for reimbursement for the amounts paid for such insurance premiums and benefits may or may not have under the provisions of the Bankruptcy Act or any other law.

45 USC 743 note.

SEC. 3. Notwithstanding any other provision of law, any corporation which, pursuant to a plan of reorganization under section 77 of the Bankruptcy Act, is the successor in interest to a railroad in reorganization shall have standing to assert, in any judicial or administrative proceeding, any claim or defense available to such railroad in reorganization with respect to whether the insurance benefits and premiums described in the amendment made by the first section of this Act constitute enforceable contractual obligations of the estate of such railroad in reorganization. For purposes of this section, the term "railroad in reorganization" has the meaning given such term in paragraph (14) of section 102 of the Regional Rail Reorganization Act of 1973.

11 USC 205.

45 USC 702.

Approved November 4, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-376 (Comm. on Interstate and Foreign Commerce).
SENATE REPORT No. 95-1041 (Comm. on Commerce, Science, and Transportation).
CONGRESSIONAL RECORD, Vol. 124 (1978):
Jan. 30, considered and passed House.
Aug. 2, considered and passed Senate, amended.
Oct. 11, House concurred in Senate amendment with an amendment.
Oct. 13, Senate concurred in House amendments.

Public Law 95-598
95th Congress

An Act

To establish a uniform Law on the Subject of Bankruptcies.

Nov. 6, 1978
[H.R. 8200]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Title 11, USC. Bankruptcy.

TITLE I—ENACTMENT OF TITLE 11 OF THE UNITED STATES CODE

SEC. 101. The law relating to bankruptcy is codified and enacted as title 11 of the United States Code, entitled "Bankruptcy", and may be cited as 11 U.S.C. § , as follows:

11 USC prec. 101 note.

TITLE 11—BANKRUPTCY

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CHAPTER 1—GENERAL PROVISIONS

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§ 101. Definitions

11 USC 101.

In this title—

(1) "accountant" means accountant authorized under applicable law to practice public accounting, and includes professional accounting association, corporation, or partnership, if so authorized;

(2) "affiliate" means—

(A) entity that directly or indirectly owns, controls, or holds with power to vote, 20 percent or more of the outstanding voting securities of the debtor, other than an entity that holds such securities—

(i) in a fiduciary or agency capacity without sole discretionary power to vote such securities; or

(ii) solely to secure a debt, if such entity has not in fact exercised such power to vote;

(B) corporation 20 percent or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by the debtor, or by an entity

that directly or indirectly owns, controls, or holds with power to vote, 20 percent or more of the outstanding voting securities of the debtor, other than an entity that holds such securities—

(i) in a fiduciary or agency capacity without sole discretionary power to vote such securities; or

(ii) solely to secure a debt, if such entity has not in fact exercised such power to vote;

(C) person whose business is operated under a lease or operating agreement by a debtor, or person substantially all of whose property is operated under an operating agreement with the debtor; or

(D) entity that operates the business or all or substantially all of the property of the debtor under a lease or operating agreement;

(3) "attorney" means attorney, professional law association, corporation, or partnership, authorized under applicable law to practice law;

(4) "claim" means—

(A) right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or

(B) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured;

(5) "commodity broker" means futures commission merchant, foreign futures commission merchant, clearing organization, leverage transaction merchant, or commodity options dealer, as defined in section 761 of this title, with respect to which there is a customer, as defined in section 761(9) of this title;

Post, p. 2615.

(6) "community claim" means claim that arose before the commencement of the case concerning the debtor for which property of the kind specified in section 541(a)(2) of this title is liable, whether or not there is any such property at the time of the commencement of the case;

Post, p. 2594.

(7) "consumer debt" means debt incurred by an individual primarily for a personal, family, or household purpose;

(8) "corporation"—

(A) includes—

(i) association having a power or privilege that a private corporation, but not an individual or a partnership, possesses;

(ii) partnership association organized under a law that makes only the capital subscribed responsible for the debts of such association;

(iii) joint-stock company;

(iv) unincorporated company or association; or

(v) business trust; but

(B) does not include limited partnership;

(9) "creditor" means—

(A) entity that has a claim against the debtor that arose at the time of or before the order for relief concerning the debtor;

(B) entity that has a claim against the estate of a kind specified in section 502(f), 502(g), 502(h) or 502(i) of this title; or Post, p. 2579.

(C) entity that has a community claim;

(10) "custodian" means—

(A) receiver or trustee of any of the property of the debtor, appointed in a case or proceeding not under this title;

(B) assignee under a general assignment for the benefit of the debtor's creditors; or

(C) trustee, receiver, or agent under applicable law, or under a contract, that is appointed or authorized to take charge of property of the debtor for the purpose of enforcing a lien against such property, or for the purpose of general administration of such property for the benefit of the debtor's creditors;

(11) "debt" means liability on a claim;

(12) "debtor" means person or municipality concerning which a case under this title has been commenced;

(13) "disinterested person" means person that—

(A) is not a creditor, an equity security holder, or an insider;

(B) is not and was not an investment banker for any outstanding security of the debtor;

(C) has not been, within three years before the date of the filing of the petition, an investment banker for a security of the debtor, or an attorney for such an investment banker in connection with the offer, sale, or issuance of a security of the debtor;

(D) is not and was not, within two years before the date of the filing of the petition, a director, officer, or employee of the debtor or of an investment banker specified in subparagraph (B) or (C) of this paragraph; and

(E) does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor or an investment banker specified in subparagraph (B) or (C) of this paragraph, or for any other reason;

(14) "entity" includes person, estate, trust, governmental unit;

(15) "equity security" means—

(A) share in a corporation, whether or not transferable or denominated "stock", or similar security;

(B) interest of a limited partner in a limited partnership; or

(C) warrant or right, other than a right to convert, to purchase, sell, or subscribe to a share, security, or interest of a kind specified in subparagraph (A) or (B) of this paragraph;

(16) "equity security holder" means holder of an equity security of the debtor;

(17) "farmer" means person that received more than 80 percent of such person's gross income during the taxable year of such person immediately preceding the taxable year of such person during which the case under this title concerning such person was commenced from a farming operation owned or operated by such person;

(18) "farming operation" includes farming, tillage of the soil, dairy farming, ranching, production or raising of crops, poultry, or livestock, and production of poultry or livestock products in an unmanufactured state;

(19) "foreign proceeding" means proceeding, whether judicial or administrative and whether or not under bankruptcy law, in a foreign country in which the debtor's domicile, residence, principal place of business, or principal assets were located at the commencement of such proceeding, for the purpose of liquidating an estate, adjusting debts by composition, extension, or discharge, or effecting a reorganization;

(20) "foreign representative" means duly selected trustee, administrator, or other representative of an estate in a foreign proceeding;

(21) "governmental unit" means United States; State; Commonwealth; District; Territory; municipality; foreign state; department, agency, or instrumentality of the United States, a State, a Commonwealth, a District, a Territory, a municipality, or a foreign state; or other foreign or domestic government;

(22) "indenture" means mortgage, deed of trust, or indenture, under which there is outstanding a security, other than a voting-trust certificate, constituting a claim against the debtor, a claim secured by a lien on any of the debtor's property, or an equity security of the debtor;

(23) "indenture trustee" means trustee under an indenture;

(24) "individual with regular income" means individual whose income is sufficiently stable and regular to enable such individual to make payments under a plan under chapter 13 of this title, other than a stock broker or a commodity broker;

Post, p. 2645.

(25) "insider" includes—

(A) if the debtor is an individual—

(i) relative of the debtor or of a general partner of the debtor;

(ii) partnership in which the debtor is a general partner;

(iii) general partner of the debtor; or

(iv) corporation of which the debtor is a director, officer, or person in control;

(B) if the debtor is a corporation—

(i) director of the debtor;

(ii) officer of the debtor;

(iii) person in control of the debtor;

(iv) partnership in which the debtor is a general partner;

(v) general partner of the debtor; or

(vi) relative of a general partner, director, officer, or person in control of the debtor;

(C) if the debtor is a partnership—

(i) general partner in the debtor;

(ii) relative of a general partner in, general partner of, or person in control of the debtor;

(iii) partnership in which the debtor is a general partner;

(iv) general partner of the debtor; or

(v) person in control of the debtor;

(D) if the debtor is a municipality, elected official of the debtor or relative of an elected official of the debtor;

(E) affiliate, or insider of an affiliate as if such affiliate were the debtor; and

(F) managing agent of the debtor;

(26) "insolvent" means—

(A) with reference to an entity other than a partnership, financial condition such that the sum of such entity's debts is greater than all of such entity's property, at a fair valuation, exclusive of—

(i) property transferred, concealed, or removed with intent to hinder, delay, or defraud such entity's creditors; and

(ii) property that may be exempted from property of the estate under section 522 of this title; and *Post*, p. 2586.

(B) with reference to a partnership, financial condition such that the sum of such partnership's debts is greater than the aggregate of, at a fair valuation—

(i) all of such partnership's property, exclusive of property of the kind specified in subparagraph (A)(i) of this paragraph; and

(ii) the sum of the excess of the value of each general partner's separate property, exclusive of property of the kind specified in subparagraph (A)(ii) of this paragraph, over such partner's separate debts;

(27) "judicial lien" means lien obtained by judgment, levy, sequestration, or other legal or equitable process or proceeding;

(28) "lien" means charge against or interest in property to secure payment of a debt or performance of an obligation;

(29) "municipality" means political subdivision or public agency or instrumentality of a State;

(30) "person" includes individual, partnership, and corporation, but does not include governmental unit;

(31) "petition" means petition filed under section 301, 302, 303, or 304 of this title, as the case may be, commencing a case under this title;

(32) "purchaser" means transferee of a voluntary transfer, and includes immediate or mediate transferee of such a transferee;

(33) "railroad" means common carrier by railroad engaged in the transportation of individuals or property or owner of trackage facilities leased by such a common carrier;

(34) "relative" means individual related by affinity or consanguinity within the third degree as determined by the common law, or individual in a step or adoptive relationship within such third degree;

(35) "security"—

(A) includes—

(i) note;

(ii) stock;

(iii) treasury stock;

(iv) bond;

(v) debenture;

(vi) collateral trust certificate;

(vii) pre-organization certificate or subscription;

(viii) transferable share;

(ix) voting-trust certificate;

(x) certificate of deposit;

(xi) certificate of deposit for security;

(xii) investment contract or certificate of interest or

participation in a profit-sharing agreement or in an oil, gas, or mineral royalty or lease, if such contract or interest is the subject of a registration statement filed with the Securities and Exchange Commission under the provisions of the Securities Act of 1933 (15 U.S.C. 77a et seq.), or is exempt under section 3(b) of such Act (15 U.S.C. 77c(b)) from the requirement to file such a statement;

(xiii) interest of a limited partner in a limited partnership;

(xiv) other claim or interest commonly known as "security"; and

(xv) certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase or sell, a secuity; but

(B) does not include—

(i) currency, check, draft, bill of exchange, or bank letter of credit;

Post, p. 2615.

(ii) leverage transaction, as defined in section 761(13) of this title;

(iii) commodity futures contract or forward commodity contract;

(iv) option, warrant, or right to subscribe to or purchase or sell a commodity futures contract;

(v) option to purchase or sell a commodity;

(vi) contract or certificate specified in clause (xii) of subparagraph (A) of this paragraph that is not the subject of such a registration statement filed with the Securities and Exchange Commission and is not exempt under section 3(b) of the Securities Act of 1933 (15 U.S.C. 77c(b)) from the requirement to file such a statement; or

(vii) debt or evidence of indebtedness for goods sold and delivered or services rendered;

(36) "security agreement" means agreement that creates or provides for a security interest;

(37) "security interest" means lien created by an agreement;

(38) "statutory lien" means lien arising solely by force of a statute on specified circumstances or conditions, or lien of distress for rent, whether or not statutory, but does not include security interest or judicial lien, whether or not such interest or lien is provided by or is dependent on a statute and whether or not such interest or lien is made fully effective by statute;

(39) "stockbroker" means person with respect to which there is a customer, as defined in section 741(2) of this title, engaged in the business of effecting transactions in securities—

Post, p. 2611.

(A) for the accounts of others; or

(B) with members of the general public, from or for such person's own account; and

(40) "transfer" means every mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with property or with an interest in property, including retention of title as a security interest.

11 USC 102.

§ 102. Rules of construction

In this title—

After notice and a hearing.

(1) "after notice and a hearing", or a similar phrase—

best copy available

(A) means after such notice as is appropriate in the particular circumstances, and such opportunity for a hearing as is appropriate in the particular circumstances; but

(B) authorizes an act without an actual hearing if such notice is given properly and if—

(i) such a hearing is not requested timely by a party in interest; or

(ii) there is insufficient time for a hearing to be commenced before such act must be done, and the court authorizes such act;

(2) "claim against the debtor" includes claim against property of the debtor;

(3) "includes" and "including" are not limiting;

(4) "may not" is prohibitive, and not permissive;

(5) "or" is not exclusive;

(6) "order for relief" means entry of an order for relief;

(7) the singular includes the plural; and

(8) a definition, continued in a section of this title that refers to another section of this title, does not, for the purpose of such reference, affect the meaning of a term used in such other section.

§ 103. Applicability of chapters 11 USC 103.

(a) Except as provided in section 1161 of this title, chapters 1, 3, and 5 of this title apply in a case under chapter 7, 11, or 13 of this title. *Post*, p. 2641.

(b) Subchapters I and II of chapter 7 of this title apply only in a case under such chapter. *Post*, pp. 2578, 2604, 2626, 2645.

(c) Subchapter III of chapter 7 of this title applies only in a case under such chapter concerning a stockholder.

(d) Subchapter IV of chapter 7 of this title applies only in a case under such chapter concerning a commodity broker except with respect to section 746(c) which applies to margin payments made by any debtor to a commodity broker or forward contract merchant. *Post*, p. 2613.

(e) Except as provided in section 901 of this title, only chapters 1 and 9 of this title apply in a case under such chapter 9. *Post*, p. 2621.

(f) Except as provided in section 901 of this title, subchapters I, II, and III of chapter 11 of this title apply only in a case under such chapter.

(g) Subchapter IV of chapter 11 of this title applies only in a case under such chapter concerning a railroad.

(h) Chapter 13 of this title applies only in a case under such chapter.

§ 104. Adjustment of dollar amounts 11 USC 104.

The Judicial Conference of the United States shall transmit to the Congress and to the President before May 1, 1985, and before May 1 of every sixth year after May 1, 1985, a recommendation for the uniform percentage adjustment of each dollar amount in this title and in section 1930 of title 28. Recommendation to Congress and the President.

§ 105. Power of court 11 USC 105.

(a) The bankruptcy court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.

(b) Notwithstanding subsection (a) of this section, a bankruptcy court may not appoint a receiver in a case under this title.

§ 106. Waiver of sovereign immunity 11 USC 106.

(a) A governmental unit is deemed to have waived sovereign immunity with respect to any claim against such governmental unit that

is property of the estate and that arose out of the same transaction or occurrence out of which such governmental unit's claim arose.

(b) There shall be offset against an allowed claim or interest of a governmental unit any claim against such governmental unit that is property of the estate.

(c) Except as provided in subsections (a) and (b) of this section and notwithstanding any assertion of sovereign immunity—

(1) a provision of this title that contains "creditor", "entity", or "governmental unit" applies to governmental units; and

(2) a determination by the court of an issue arising under such a provision binds governmental units.

11 USC 107.

§ 107. Public access to papers

(a) Except as provided in subsection (b) of this section, a paper filed in a case under this title and the dockets of a bankruptcy court are public records and open to examination by an entity at reasonable times without charge.

(b) On request of a party in interest, the bankruptcy court shall, and on the bankruptcy court's own motion, the bankruptcy court may—

(1) protect an entity with respect to a trade secret or confidential research, development, or commercial information; or

(2) protect a person with respect to scandalous or defamatory matter contained in a paper filed in a case under this title.

11 USC 108.

§ 108. Extension of time

(a) If applicable law, an order entered in a proceeding, or an agreement fixes a period within which the debtor may commence an action, and such period has not expired before the date of the filing of the petition, the trustee may commence such action only before the later of—

(1) the end of such period, including any suspension of such period occurring on or after the commencement of the case; and

(2) two years after the order for relief.

(b) Except as provided in subsection (a) of this section, if applicable law, an order entered in a proceeding, or an agreement fixes a period within which the debtor or an individual protected under section 1301 of this title may file any pleading, demand, notice, or proof of claim or loss, cure a default, or perform any other similar act, and such period has not expired before the date of the filing of the petition, the trustee may only file, cure, or perform, as the case may be, before the later of—

Post, p. 2645.

(1) the end of such period, including any suspension of such period occurring on or after the commencement of the case; and

(2) 60 days after the order for relief.

(c) Except as provided in section 524 of this title, if applicable law, an order entered in a proceeding, or an agreement fixes a period for commencing or continuing a civil action in a court other than a bankruptcy court on a claim against the debtor, or against an individual with respect to which such individual is protected under section 1301 of this title, and such period has not expired before the date of the filing of the petition, then such period does not expire until the later of—

Post, p. 2592.

(1) the end of such period, including any suspension of such period occurring on or after the commencement of the case; and

(2) 30 days after notice of the termination or expiration of the stay under section 362, 922, or 1301 of this title, as the case may be, with respect to such claim. *Post*, pp. 2623, 2645.

§ 109. Who may be a debtor 11 USC 109.

(a) Notwithstanding any other provision of this section, only a person that resides in the United States, or has a domicile, a place of business, or property in the United States, or a municipality, may be a debtor under this title.

(b) A person may be a debtor under chapter 7 of this title only if such person is not— *Post*, p. 2604.

(1) a railroad;

(2) a domestic insurance company, bank, savings bank, cooperative bank, savings and loan association, building and loan association, homestead association, or credit union; or

(3) a foreign insurance company, bank, savings bank, cooperative bank, savings and loan association, building and loan association, homestead association, or credit union, engaged in such business in the United States.

(c) An entity may be a debtor under chapter 9 of this title if and only if such entity— *Post*, p. 2621.

(1) is a municipality;

(2) is generally authorized to be a debtor under such chapter by State law, or by a governmental officer or organization empowered by State law to authorize such entity to be a debtor under such chapter;

(3) is insolvent or unable to meet such entity's debts as such debts mature;

(4) desires to effect a plan to adjust such debts; and

(5) (A) has obtained the agreement of creditors holding at least a majority in amount of the claims of each class that such entity intends to impair under a plan in a case under such chapter;

(B) has negotiated in good faith with creditors and has failed to obtain the agreement of creditors holding at least a majority in amount of the claims of each class that such entity intends to impair under a plan in a case under such chapter;

(C) is unable to negotiate with creditors because such negotiation is impracticable; or

(D) reasonably believes that a creditor may attempt to obtain a preference.

(d) Only a person that may be a debtor under chapter 7 of this title, except a stockholder or a commodity broker, and a railroad may be a debtor under chapter 11 of this title. *Post*, p. 2626.

(e) Only an individual with regular income that owes, on the date of the filing of the petition, noncontingent, liquidated, unsecured debts of less than $100,000 and noncontingent, liquidated, secured debts of less than $350,000, or an individual with regular income and such individual's spouse, except a stockbroker or a commodity broker, that owe, on the date of the filing of the petition, noncontingent, liquidated, unsecured debts that aggregate less than $100,000 and noncontingent, liquidated, secured debts of less than $350,000 may be a debtor under chapter 13 of this title. *Post*, p. 2645.

CHAPTER 3—CASE ADMINISTRATION

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SUBCHAPTER I—COMMENCEMENT OF A CASE

11 USC 301.

§ 301. Voluntary cases

A voluntary case under a chapter of this title is commenced by the filing with the bankruptcy court of a petition under such chapter by an entity that may be a debtor under such chapter. The commencement of a voluntary case under a chapter of this title constitutes an order for relief under such chapter.

11 USC 302.

§ 302. Joint cases

(a) A joint case under a chapter of this title is commenced by the filing with the bankruptcy court of a single petition under such chapter by an individual that may be a debtor under such chapter and such individual's spouse. The commencement of a joint case under a chapter of this title constitutes an order for relief under such chapter.

(b) After the commencement of a joint case, the court shall determine the extent, if any, to which the debtors' estates shall be consolidated.

§ 303. Involuntary cases 11 USC 303.

(a) An involuntary case may be commenced only under chapter 7 or 11 of this title, and only against a person, except a farmer or a corporation that is not a moneyed, business, or commercial corporation, that may be a debtor under the chapter under which such case is commenced. *Post*, pp. 2604, 2626.

(b) An involuntary case is commenced by the filing with the bankruptcy court of a petition under chapter 7 or 11 of this title—

(1) by three or more entities, each of which is either a holder of a claim against such person that is not contingent as to liability or an indenture trustee representing such a holder, if such claims aggregate at least $5,000 more than the value of any lien on property of the debtor securing such claims held by the holders of such claims;

(2) if there are fewer than 12 such holders, excluding any employee or insider of such person and any transferee of a transfer that is voidable under section 544, 545, 547, 548, 549, or 724(a) of this title, by one or more of such holders that hold in the aggregate at least $5,000 of such claims; *Post*, pp. 2596–2601, 2607.

(3) if such person is a partnership—

(A) by fewer than all of the general partners in such partnership; or

(B) if relief has been ordered under this title with respect to all of the general partners in such partnership, by a general partner in such partnership, the trustee of such a general partner, or a holder of a claim against such partnership; or

(4) by a foreign representative of the estate in a foreign proceeding concerning such person.

(c) After the filing of a petition under this section but before the case is dismissed or relief is ordered, a creditor holding an unsecured claim that is not contingent, other than a creditor filing under subsection (b) of this section, may join in the petition with the same effect as if such joining creditor were a petitioning creditor under subsection (b) of this section.

(d) The debtor, or a general partner in a partnership debtor that did not join in the petition, may file an answer to a petition under this section.

(e) After notice and a hearing, and for cause, the court may require the petitioners under this section to file a bond to indemnify the debtor for such amounts as the court may later allow under subsection (i) of this section.

(f) Notwithstanding section 363 of this title, except to the extent that the court orders otherwise, and until an order for relief in the case, any business of the debtor may continue to operate, and the debtor may continue to use, acquire, or dispose of property as if an involuntary case concerning the debtor had not been commenced.

(g) At any time after the commencement of an involuntary case under chapter 7 of this title but before an order for relief in the case, the court, on request of a party in interest, after notice to the debtor and a hearing, and if necessary to preserve the property of the estate or to prevent loss to the estate, may appoint an interim trustee under section 701 of this title to take possession of the property of the estate and to operate any business of the debtor. Before an order for relief, the debtor may regain possession of property in the possession of a trustee ordered appointed under this subsection if the debtor files such bond as the court requires, conditioned on the debtor's accounting for

and delivering to the trustee, if there is an order for relief in the case, such property, or the value, as of the date the debtor regains possession, of such property.

(h) If the petition is not timely controverted, the court shall order relief against the debtor in an involuntary case under the chapter under which the petition was filed. Otherwise, after trial, the court shall order relief against the debtor in an involuntary case under the chapter under which the petition was filed, only if—

(1) the debtor is generally not paying such debtor's debts as such debts become due; or

(2) within 120 days before the date of the filing of the petition, a custodian, other than a trustee, receiver, or agent appointed or authorized to take charge of less than substantially all of the property of the debtor for the purpose of enforcing a lien against such property, was appointed or took possession.

(i) If the court dismisses a petition under this section other than on consent of all petitioners and the debtor, and if the debtor does not waive the right to judgment under this subsection, the court may grant judgment—

(1) against the petitioners and in favor of the debtor for—

(A) costs;

(B) a reasonable attorney's fee; or

(C) any damages proximately caused by the taking of possession of the debtor's property by a trustee appointed under subsection (g) of this section or section 1104 of this title; or

Post, p. 2627.

(2) against any petitioner that filed the petition in bad faith, for—

(A) any damages proximately caused by such filing; or

(B) punitive damages.

(j) Only after notice to all creditors and a hearing may the court dismiss a petition filed under this section—

(1) on the motion of a petitioner;

(2) on consent of all petitioners and the debtors; or

(3) for want of prosecution.

(k) Notwithstanding subsection (a) of this section, an involuntary case may be commenced against a foreign bank that is not engaged in such business in the United States only under chapter 7 of this title and only if a foreign proceeding concerning such bank is pending.

Post, p. 2604.

11 USC 304.

§ 304. Cases ancillary to foreign proceedings

(a) A case ancillary to a foreign proceeding is commenced by the filing with the bankruptcy court of a petition under this section by a foreign representative.

(b) Subject to the provisions of subsection (c) of this section, if a party in interest does not timely controvert the petition, or after trial, the court may—

(1) enjoin the commencement or continuation of—

(A) any action against—

(i) a debtor with respect to property involved in such foreign proceeding; or

(ii) such property; or

(B) the enforcement of any judgment against the debtor with respect to such property, or any act or the commencement or continuation of any judicial proceeding to create or enforce a lien against the property of such estate;

(2) order turnover of the property of such estate, or the proceeds of such property, to such foreign representative; or

(3) order other appropriate relief.

(c) In determining whether to grant relief under subsection (b) of this section, the court shall be guided by what will best assure an economical and expeditious administration of such estate, consistent with—

(1) just treatment of all holders of claims against or interests in such estate;

(2) protection of claim holders in the United States against prejudice and inconvenience in the processing of claims in such foreign proceeding;

(3) prevention of preferential or fraudulent dispositions of property of such estate;

(4) distribution of proceeds of such estate substantially in accordance with the order prescribed by this title;

(5) comity; and

(6) if appropriate, the provision of an opportunity for a fresh start for the individual that such foreign proceeding concerns.

§ 305. Abstention 11 USC 305.

(a) The court, after notice and a hearing, may dismiss a case under this title, or may suspend all proceedings in a case under this title, at any time if— Notice and hearing.

(1) the interests of creditors and the debtor would be better served by such dismissal or suspension; or

(2)(A) there is pending a foreign proceeding; and

(B) the factors specified in section 304(c) of this title warrant such dismissal or suspension.

(b) A foreign representative may seek dismissal or suspension under subsection (a)(2) of this section.

(c) An order under subsection (a) of this section dismissing a case or suspending all proceedings in a case, or a decision not so to dismiss or suspend, is not reviewable by appeal or otherwise.

§ 306. Limited appearance 11 USC 306.

An appearance in a bankruptcy court by a foreign representative in connection with a petition or request under section 303, 304, or 305 of this title does not submit such foreign representative to the jurisdiction of any court in the United States for any other purpose, but the bankruptcy court may condition any order under section 303, 304, or 305 of this title on compliance by such foreign representative with the orders of such bankruptcy court.

SUBCHAPTER II—OFFICERS

§ 321. Eligibility to serve as trustee 11 USC 321.

(a) A person may serve as trustee in a case under this title only if such person is—

(1) an individual that is competent to perform the duties of trustee and, in a case under chapter 7 or 13 of this title, resides or has an office in the judicial district within which the case is pending, or in any judicial district adjacent to such district; or *Post*, pp. 2604, 2645.

(2) a corporation authorized by such corporation's charter or bylaws to act as trustee, and, in a case under chapter 7 or 13 of this title, having an office in at least one of such districts.

(b) A person that has served as an examiner in a case may not serve as trustee in the case.

11 USC 322.

§ 322. Qualification of trustee

Post, pp. 2604, 2605, 2627, 2641, 2645.

(a) A person selected under section 701, 702, 703, 1104, 1163, or 1302 of this title to serve as trustee in a case under this title qualifies if before five days after such selection, and before beginning official duties, such person has filed with the court a bond in favor of the United States conditioned on the faithful performance of such official duties.

(b) The court shall determine—

(1) the amount of a bond filed under subsection (a) of this section; and

(2) the sufficiency of the surety on such bond.

(c) A trustee is not liable personally or on such trustee's bond in favor of the United States for any penalty or forfeiture incurred by the debtor.

(d) A proceeding on a trustee's bond may not be commenced after two years after the date on which such trustee was discharged.

11 USC 323.

§ 323. Role and capacity of trustee

(a) The trustee in a case under this title is the representative of the estate.

(b) The trustee in a case under this title has capacity to sue and be sued.

11 USC 324.

§ 324. Removal of trustee or examiner

The court, after notice and a hearing, may remove a trustee or an examiner, for cause.

11 USC 325.

§ 325. Effect of vacancy

A vacancy in the office of trustee during a case does not abate any pending action or proceeding, and the successor trustee shall be substituted as a party in such action or proceeding.

11 USC 326.

§ 326. Limitation on compensation of trustee

Post, pp. 2604, 2626.

(a) In a case under chapter 7 or 11, the court may allow reasonable compensation under section 330 of this title of the trustee for the trustee's services, payable after the trustee renders such services, not to exceed fifteen percent on the first $1,000 or less, six percent on any amount in excess of $1,000 but not in excess of $3,000, three percent on any amount in excess of $3,000 but not in excess of $20,000, two percent on any amount in excess of $20,000 but not in excess of $50,000, and one percent on any amount in excess of $50,000, upon all moneys disbursed or turned over in the case by the trustee to parties in interest, excluding the debtor, but including holders of secured claims.

Post, p. 2645.

(b) In a case under chapter 13 of this title, the court may not allow compensation for services or reimbursement of expenses of a standing trustee appointed under section 1302(d) of this title, but may allow reasonable compensation under section 330 of this title of a trustee appointed under section 1302(a) of this title for the trustee's services, payable after the trustee renders such services, not to exceed five percent upon all payments under the plan.

(c) If more than one person serves as trustee in the case, the aggregate compensation of such persons for such service may not exceed the maximum compensation prescribed for a single trustee by subsection (a) or (b) of this section, as the case may be.

(d) The court may deny allowance of compensation for services and reimbursement of expenses of the trustee if the trustee—

(1) failed to make diligent inquiry into facts that would permit denial of allowance under section 328(c) of this title; or

(2) with knowledge of such facts, employed a professional person under section 327 of this title.

§ 327. Employment of professional persons 11 USC 327.

(a) Except as otherwise provided in this section, the trustee, with the court's approval, may employ one or more attorneys, accountants, appraisers, auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the trustee in carrying out the trustee's duties under this title.

(b) If the trustee is authorized to operate the business of the debtor under section 721 or 1108 of this title, and if the debtor has regularly employed attorneys, accountants, or other professional persons on salary, the trustee may retain or replace such professional persons if necessary in the operation of such business. *Post*, pp. 2606, 2629.

(c) In a case under chapter 7 or 11 of this title, a person is not disqualified for employment under this section solely because of such person's employment by or representation of a creditor, but may not, while employed by the trustee, represent, in connection with the case, a creditor. *Post*, pp. 2604, 2626.

(d) The court may authorize the trustee to act as attorney or accountant for the estate if such authorization is in the best interest of the estate.

(e) The trustee, with the court's approval, may employ, for a specified special purpose, other than to represent the trustee in conducting the case, an attorney that has represented the debtor, if in the best interest of the estate, and if such attorney does not represent or hold any interest adverse to the debtor or to the estate with respect to the matter on which such attorney is to be employed.

(f) The trustee may not employ a person that has served as an examiner in the case.

§ 328. Limitation on compensation of professional persons 11 USC 328.

(a) The trustee, or a committee appointed under section 1102 of this title, with the court's approval, may employ or authorize the employment of a professional person under section 327 or 1103 of this title, as the case may be, on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, or on a contingent fee basis. Notwithstanding such terms and conditions, the court may allow compensation different from the compensation provided under such terms and conditions after the conclusion of such employment, if such terms and conditions prove to have been improvident in light of developments unanticipatable at the time of the fixing of such terms and conditions. *Post*, p. 2627.

(b) If the court has authorized a trustee to serve as an attorney or accountant for the estate under section 327(d) of this title, the court may allow compensation for the trustee's services as such attorney or accountant only to the extent that the trustee performed services as attorney or accountant for the estate and not for performance of any of the trustee's duties that are generally performed by a trustee without the assistance of an attorney or accountant for the estate.

(c) Except as provided in section 327(c), 327(e), or 1107(b) of this title, the court may deny allowance of compensation for services and reimbursement of expenses of a professional person employed under section 327 or 1103 of this title if, at any time during such professional *Post*, p. 2628.

Post, p. 2627.

person's employment under section 327 or 1103 of this title, such professional person is not a disinterested person, or represents or holds an interest adverse to the interest of the estate with respect to the matter on which such professional person is employed.

11 USC 329.

§ 329. Debtor's transactions with attorneys

(a) Any attorney representing a debtor in a case under this title, or in connection with such a case, whether or not such attorney applies for compensation under this title, shall file with the court a statement of the compensation paid or agreed to be paid, if such payment or agreement was made after one year before the date of the filing of the petition, for services rendered or to be rendered in contemplation of and in connection with the case by such attorney, and the source of such compensation.

(b) If such compensation exceeds the reasonable value of any such services, the court may cancel any such agreement, or order the return of any such payment, to the extent excessive, to—

(1) the trustee, if the property transferred—

(A) would have been property of the estate; or

(B) was to be paid by or on behalf of the debtor under a plan under chapter 11 or 13 of this title; or

Post, pp. 2626, 2645.

(2) the entity that made such payment.

11 USC 330.

§ 330. Compensation of officers

(a) After notice to any parties in interest and to the United States trustee and a hearing, and subject to sections 326, 328, and 329 of this title, the court may award to a trustee, to an examiner, to a professional person employed under section 327 or 1103 of this title, or to the debtor's attorney—

(1) reasonable compensation for actual, necessary services rendered by such trustee, examiner, professional person, or attorney, as the case may be, and by any paraprofessional persons employed by such trustee, professional person, or attorney, as the case may be, based on the time, the nature, the extent, and the value of such services, and the cost of comparable services other than in a case under this title; and

(2) reimbursement for actual, necessary expenses.

(b) There shall be paid from the filing fee in a case under chapter 7 of this title $20 to the trustee serving in such case, after such trustee's services are rendered.

Post, p. 2604.

11 USC 331.

§ 331. Interim compensation

A trustee, an examiner, a debtor's attorney, or any professional person employed under section 327 or 1103 of this title may apply to the court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered before the date of such an application or reimbursement for expenses incurred before such date as is provided under section 330 of this title. After notice and a hearing, the court may allow and disburse to such applicant such compensation or reimbursement.

SUBCHAPTER III—ADMINISTRATION

11 USC 341.

§ 341. Meetings of creditors and equity security holders

(a) Within a reasonable time after the order for relief in a case under this title, there shall be a meeting of creditors.

(b) The court may order a meeting of any equity security holders.
(c) The court may not preside at, and may not attend, any meeting under this section.

§ 342. Notice 11 USC 342.

There shall be given such notice as is appropriate of an order for relief in a case under this title.

§ 343. Examination of the debtor 11 USC 343.

The debtor shall appear and submit to examination under oath at the meeting of creditors under section 341(a) of this title. Creditors, any indenture trustee, or any trustee or examiner in the case may examine the debtor.

§ 344. Self-incrimination; immunity 11 USC 344.

Immunity for persons required to submit to examination, to testify, or to provide information in a case under this title may be granted under part V of title 18. 18 USC 6001.

§ 345. Money of estates 11 USC 345.

(a) A trustee in a case under this title may make such deposit or investment of the money of the estate for which such trustee serves as will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment.

(b) Except with respect to a deposit or investment that is insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States, the trustee shall require from an entity with which such money is deposited or invested—

(1) a bond—
(A) in favor of the United States;
(B) secured by the undertaking of a corporate surety approved by the court for the district in which the case is pending; and
(C) conditioned on—
(i) a proper accounting for all money so deposited or invested and for any return on such money;
(ii) prompt repayment of such money and return; and
(iii) faithful performance of duties as a depository; or

(2) the deposit of securities of the kind specified in section 15 of title 6.

§ 346. Special tax provisions 11 USC 346.

(a) Except to the extent otherwise provided in this section, subsections (b), (c), (d), (e), (g), (h), (i), and (j) of this section apply notwithstanding any State or local law imposing a tax, but subject to the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.).

(b)(1) In a case under chapter 7 or 11 of this title concerning an individual, any income of the estate may be taxed under a State or local law imposing a tax on or measured by income only to the estate, and may not be taxed to such individual. Except as provided in section 728 of this title, if such individual is a partner in a partnership, any gain or loss resulting from a distribution of property from such partnership, or any distributive share of income, gain, loss, deduction, or credit of such individual that is distributed, or considered distributed, from such partnership, after the commencement of the case is gain, loss, income, deduction, or credit, as the case may be, of the estate. *Post*, pp. 2604, 2626. *Post*, p. 2611.

(2) Except as otherwise provided in this section and in section 728 of this title, any income of the estate in such a case, and any State or local tax on or measured by such income, shall be computed in the same manner as the income and the tax of an estate.

(3) The estate in such a case shall use the same accounting method as the debtor used immediately before the commencement of the case.

(c)(1) The commencement of a case under this title concerning a corporation or a partnership does not effect a change in the status of such corporation or partnership for the purposes of any State or local law imposing a tax on or measured by income. Except as otherwise provided in this section and in section 728 of this title, any income of the estate in such case may be taxed only as though such case had not been commenced.

(2) In such a case, except as provided in section 728 of this title, the trustee shall make any tax return otherwise required by State or local law to be filed by or on behalf of such operation or partnership in the same manner and form as such corporation or partnership, as the case may be, is required to make such return.

Post, p. 2645.

(d) In a case under chapter 13 of this title, any income of the estate or the debtor may be taxed under a State or local law imposing a tax on or measured by income only to the debtor, and may not be taxed to the estate.

(e) A claim allowed under section 502(f) or 503 of this title, other than a claim for a tax that is not otherwise deductible or a capital expenditure that is not otherwise deductible, is deductible by the entity to which income of the estate is taxed unless such claim was deducted by another entity, and a deduction for such a claim is deemed to be a deduction attributable to a business.

(f) The trustee shall withhold from any payment of claims for wages, salaries, commissions, dividends, interest, or other payments, or collect, any amount required to be withheld or collected under applicable State or local tax law, and shall pay such withheld or collected amount to the appropriate governmental unit at the time and in the manner required by such tax law, and with the same priority as the claim from which such amount was withheld was paid.

(g)(1) Neither gain nor loss shall be recognized on a transfer—

(A) by operation of law, of property to the estate;

(B) other than a sale, of property from the estate to the debtor; or

Post, p. 2626.

(C) in a case under chapter 11 of this title concerning a corporation, of property from the estate to a corporation that is an affiliate participating in a joint plan with the debtor, or that is a successor to the debtor under the plan, except that gain or loss may be recognized to the same extent that such transfer results in the recognition of gain or loss under section 371 of the Internal Revenue Code of 1954 (26 U.S.C. 371).

(2) The transferee of a transfer of a kind specified in this subsection shall take the property transferred with the same character, and with the transferor's basis, as adjusted under subsection (j)(5) of this section, and holding period.

Post, p. 2641.

(h) Notwithstanding sections 728(a) and 1146(a) of this title, for the purpose of determining the number of taxable periods during which the debtor or the estate may use a loss carryover or a loss carryback, the taxable period of the debtor during which the case is commenced is deemed not to have been terminated by such commencement.

(i)(1) In a case under chapter 7 or 11 of this title concerning an individual, the estate shall succeed to the debtor's tax attributes, including— *Post*, pp. 2604, 2626.

(A) any investment credit carryover;
(B) any recovery exclusion;
(C) any loss carryover;
(D) any foreign tax credit carryover;
(E) any capital loss carryover; and
(F) any claim of right.

(2) After such a case is closed or dismissed, the debtor shall succeed to any tax attribute to which the estate succeeded under paragraph (1) of this subsection but that was not utilized by the estate. The debtor may utilize such tax attributes as though any applicable time limitations on such utilization by the debtor were suspended during the time during which the case was pending.

(3) In such a case, the estate may carry back any loss of the estate to a taxable period of the debtor that ended before the order for relief under such chapter the same as the debtor could have carried back such loss had the debtor incurred such loss and the case under this title had not been commenced, but the debtor may not carry back any loss of the debtor from a taxable period that ends after such order to any taxable period of the debtor that ended before such order until after the case is closed.

(j)(1) Except as otherwise provided in this subsection, income is not realized by the estate, the debtor, or a successor to the debtor by reason of forgiveness or discharge of indebtedness in a case under this title.

(2) For the purposes of any State or local law imposing a tax on or measured by income, a deduction with respect to a liability may not be allowed for any taxable period during or after which such liability is forgiven or discharged under this title. In this paragraph, "a deduction with respect to a liability" includes a capital loss incurred on the disposition of a capital asset with respect to a liability that was incurred in connection with the acquisition of such asset.

(3) Except as provided in paragraph (4) of this subsection, for the purpose of any State or local law imposing a tax on or measured by income, any net operating loss of an individual or corporate debtor, including a net operating loss carryover to such debtor, shall be reduced by the amount of indebtedness forgiven or discharged in a case under this title, except to the extent that such forgiveness or discharge resulted in a disallowance under paragraph (2) of this subsection.

(4) A reduction of a net operating loss or a net operating loss carryover under paragraph (3) of this subsection or of basis under paragraph (5) of this subsection is not required to the extent that the indebtedness of an individual or corporate debtor forgiven or discharged—

(A) consisted of items of a deductible nature that were not deducted by such debtor; or

(B) resulted in an expired net operating loss carryover or other deduction that—

(i) did not offset income for any taxable period; and

(ii) did not contribute to a net operating loss in or a net operating loss carryover to the taxable period during or after which such indebtedness was discharged.

(5) For the purposes of a State or local law imposing a tax on or measured by income, the basis of the debtor's property or of property transferred to an entity required to use the debtor's basis in whole or in part shall be reduced by the lesser of—

(A) (i) the amount by which the indebtedness of the debtor has been forgiven or discharged in a case under this title; minus

(ii) the total amount of adjustments made under paragraphs (2) and (3) of this subsection; and

(B) the amount by which the total basis of the debtor's assets that were property of the estate before such forgiveness or discharge exceeds the debtor's total liabilities that were liabilities both before and after such forgiveness or discharge.

(6) Notwithstanding paragraph (5) of this subsection, basis is not required to be reduced to the extent that the debtor elects to treat as taxable income, of the taxable period in which indebtedness is forgiven or discharged, the amount of indebtedness forgiven or discharged that otherwise would be applied in reduction of basis under paragraph (5) of this subsection.

(7) For the purposes of this subsection, indebtedness with respect to which an equity security, other than an interest of a limited partner in a limited partnership, is issued to the creditor to whom such indebtedness was owned, or that is forgiven as a contribution to capital by an equity security holder other than a limited partner in the debtor, is not forgiven or discharged in a case under this title—

(A) to any extent that such indebtedness did not consist of items of a deductible nature; or

(B) if the issuance of such equity security has the same consequences under a law imposing a tax on or measured by income to such creditor as a payment in cash to such creditor in an amount equal to the fair market value of such equity security, then to the lesser of—

(i) the extent that such issuance has the same such consequences; and

(ii) the extent of such fair market value.

11 USC 347.

§ 347. Unclaimed property

(a) Ninety days after the final distribution under section 726 or 1326 of this title in a case under chapter 7 or 13 of this title, as the case may be, the trustee shall stop payment on any check remaining unpaid, and any remaining property of the estate shall be paid into the court and disposed of under chapter 129 of title 28.

Post, pp. 2608, 2650.

28 USC 2041.

(b) Any security, money, or other property remaining unclaimed at the expiration of the time allowed in a case under chapter 9 or 11 of this title for the presentation of a security or the performance of any other act as a condition to participation in the distribution under any plan confirmed under section 943(b), 1129, or 1173 of this title, as the case may be, becomes the property of the debtor or of the entity acquiring the assets of the debtor under the plan, as the case may be.

Post, pp. 2624, 2635, 2644.

11 USC 348.

§ 348. Effect of conversion

(a) Conversion of a case from a case under one chapter of this title to a case under another chapter of this title constitutes an order for relief under the chapter to which the case is converted, but, except as provided in subsections (b) and (c) of this section, does not effect a change in the date of the filing of the petition, the commencement of the case, or the order for relief.

Post, p. 2604.

(b) Unless the court for cause orders otherwise, in sections 701(a),

727(a)(10), 727(b), 728(a), 728(b), 1102(a), 1110(a)(1), 1121(b), 1121(c), 1141(d)(4), 1146(a), 1146(b), 1301(a), 1305(a), and 1328(a) of this title, "the order for relief under this chapter" in a chapter to which a case has been converted under section 706, 1112, or 1307 of this title means the conversion of such case to such chapter.

Post, pp. 2609, 2611, 2626, 2629, 2631, 2638, 2641, 2645, 2647, 2650.

(c) Sections 342 and 365(d) of this title apply in a case that has been converted under section 706, 1112, or 1307 of this title, as if the conversion order were the order for relief.

Post, pp. 2606, 2630, 2647.

(d) A claim against the estate or the debtor that arises after the order for relief but before conversion in a case that is converted under section 1112 or 1307 of this title, other than a claim specified in section 503(b) of this title, shall be treated for all purposes as if such claim had arisen immediately before the date of the filing of the petition.

(e) Conversion of a case under section 706, 1112, or 1307 of this title terminates the service of any trustee or examiner that is serving in the case before such conversion.

§ 349. Effect of dismissal

11 USC 349.

(a) Unless the court, for cause, orders otherwise, the dismissal of a case under this title does not bar the discharge, in a later case under this title, of debts that were dischargeable in the case dismissed.

(b) Unless the court, for cause, orders otherwise, a dismissal of a case other than under section 742 of this title—

Post, p. 2613.

(1) reinstates—

(A) any proceeding or custodianship superseded under section 543 of this title;

Post, p. 2595.

(B) any transfer avoided under section 522, 544, 545, 547, 548, 549, or 724(a) of this title, or preserved under section 510(c)(2), 522(i)(2), or 551 of this title; and

Post, pp. 2596–2601, 2607.

(C) any lien voided under section 506(d) of this title;

Post, p. 2602.

(2) vacates any order, judgment, or transfer ordered, under section 522(i)(1), 542, 550, or 553 of this title; and

Post, pp. 2601, 2602.

(3) revests the property of the estate in the entity in which such property was vested immediately before the commencement of the case under this title.

§ 350. Closing and reopening cases

11 USC 350.

(a) After an estate is fully administered and the court has discharged the trustee, the court shall close the case.

(b) a case may be reopened in the court in which such case was closed to administer assets, to accord relief to the debtor, or for other cause.

SUBCHAPTER IV—ADMINISTRATIVE POWERS

§ 361. Adequate protection

11 USC 361.

When adequate protection is required under section 362, 363, or 364 of this title of an interest of an entity in property, such adequate protection may be provided by—

(1) requiring the trustee to make periodic cash payments to such entity, to the extent that the stay under section 362 of this title, use, sale, or lease under section 363 of this title, or any grant of a lien under section 364 of this title results in a decrease in the value of such entity's interest in such property;

(2) providing to such entity an additional or replacement lien to the extent that such stay, use, sale, lease, or grant results in a

decrease in the value of such entity's interest in such property; or

(3) granting such other relief, other than entitling such entity to compensation allowable under section 503(b)(1) of this title as an administrative expense, as will result in the realization by such entity of the indubitable equivalent of such entity's interest in such property.

11 USC 362.

§ 362. Automatic stay

(a) Except as provided in subsection (b) of this section, a petition filed under section 301, 302, or 303 of this title operates as a stay, applicable to all entities, of—

(1) the commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under this title;

(2) the enforcement, against the debtor or against property of the estate, of a judgment obtained before the commencement of the case under this title;

(3) any act to obtain possession of property of the estate or of property from the estate;

(4) any act to create, perfect, or enforce any lien against property of the estate;

(5) any act to create, perfect, or enforce against property of the debtor any lien to the extent that such lien secures a claim that arose before the commencement of the case under this title;

(6) any act to collect, assess, or recover a claim against the debtor that arose before the commencement of the case under this title;

(7) the setoff of any debt owing to the debtor that arose before the commencement of the case under this title against any claim against the debtor; and

(8) the commencement or continuation of a proceeding before the United States Tax Court concerning the debtor.

(b) The filing of a petition under section 301, 302, or 303 of this title does not operate as a stay—

(1) under subsection (a) of this section, of the commencement or continuation of a criminal action or proceeding against the debtor;

(2) under subsection (a) of this section, of the collection of alimony, maintenance, or support from property that is not property of the estate;

(3) under subsection (a) of this section, of any act to perfect an interest in property to the extent that the trustee's rights and powers are subject to such perfection under section 546(b) of this title;

Post, p. 2597.

(4) under subsection (a)(1) of this section, of the commencement or continuation of an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power;

(5) under subsection (a)(2) of this section, of the enforcement of a judgment, other than a money judgment, obtained in an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power;

(6) under subsection (a)(7) of this section, of the setoff of any mutual debt and claim that are commodity futures contracts,

forward commodity contracts, leverage transactions, options, warrants, rights to purchase or sell commodity futures contracts or securities, or options to purchase or sell commodities or securities;

(7) under subsection (a) of this section, of the commencement of any action by the Secretary of Housing and Urban Development to foreclose a mortgage or deed of trust in any case in which the mortgage or deed of trust held by said Secretary is insured or was formerly insured under the National Housing Act and covers property, or combinations of property, consisting of five or more living units; or 12 USC 1701.

(8) under subsection (a) of this section, of the issuance to the debtor by a governmental unit of a notice of tax deficiency.

(c) Except as provided in subsections (d), (e), and (f) of this section—

(1) the stay of an act against property of the estate under subsection (a) of this section continues until such property is no longer property of the estate; and

(2) the stay of any other act under subsection (a) of this section continues until the earliest of—

(A) the time the case is closed;

(B) the time the case is dismissed; and

(C) if the case is a case under chapter 7 of this title concerning an individual or a case under chapter 9, 11, or 13 of this title, the time a discharge is granted or denied. *Post*, p. 2604. *Post*, pp. 2621, 2626, 2645.

(d) On request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay—

(1) for cause, including the lack of adequate protection of an interest in property of such party in interest; or

(2) with respect to a stay of an act against property, if—

(A) the debtor does not have an equity in such property; and

(B) such property is not necessary to an effective reorganization.

(e) Thirty days after a request under subsection (d) of this section for relief from the stay of any act against property of the estate under subsection (a) of this section, such stay is terminated with respect to the party in interest making such request, unless the court, after notice and a hearing, orders such stay continued in effect pending, or as a result of, a final hearing and determination under subsection (d) of this section. A hearing under this subsection may be a preliminary hearing, or may be consolidated with the final hearing under subsection (d) of this section. If the hearing under this subsection is a preliminary hearing—

(1) the court shall order such stay so continued if there is a reasonable likelihood that the party opposing relief from such stay will prevail at the final hearing under subsection (d) of this section; and

(2) such final hearing shall be commenced within thirty days after such preliminary hearing.

(f) The court, without a hearing, shall grant such relief from the stay provided under subsection (a) of this section as is necessary to prevent irreparable damage to the interest of an entity in property, if such interest will suffer such damage before there is an opportunity

for notice and a hearing under subsection (d) or (e) of this section.

(g) In any hearing under subsection (d) or (e) of this section concerning relief from the stay of any act under subsection (a) of this section—

(1) the party requesting such relief has the burden of proof on the issue of the debtor's equity in property; and

(2) the party opposing such relief has the burden of proof on all other issues.

11 USC 363.

§ 363. Use, sale, or lease of property

Cash collateral.

(a) In this section, "cash collateral" means cash, negotiable instruments, documents of title, securities, deposit accounts, or other cash equivalents in which the estate and an entity other than the estate have an interest.

Notice and hearing.

(b) The trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.

Post, pp. 2606, 2629, 2646.

(c)(1) If the business of the debtor is authorized to be operated under section 721, 1108, or 1304 of this title and unless the court orders otherwise, the trustee may enter into transactions, including the sale or lease of property of the estate, in the ordinary course of business, without notice or a hearing, and may use property of the estate in the ordinary course of business without notice or a hearing.

(2) The trustee may not use, sell, or lease cash collateral under paragraph (1) of this subsection unless—

(A) each entity that has an interest in such cash collateral consents; or

(B) the court, after notice and a hearing, authorizes such use, sale, or lease in accordance with the provisions of this section.

(3) Any hearing under paragraph (2)(B) of this subsection may be a preliminary hearing or may be consolidated with a hearing under subsection (e) of this section, but shall be scheduled in accordance with the needs of the debtor. If the hearing under paragraph (2)(B) of this subsection is a preliminary hearing, the court may authorize such use, sale, or lease only if there is a reasonable likelihood that the trustee will prevail at the final hearing under subsection (e) of this section. The court shall act promptly on any request for authorization under paragraph (2)(B) of this subsection.

(4) Except as provided in paragraph (2) of this subsection, the trustee shall segregate and account for any cash collateral in the trustee's possession, custody, or control.

(d) The trustee may use, sell, or lease property under subsection (b) or (c) of this section only to the extent not inconsistent with any relief granted under section 362(c), 362(d), 362(e), or 362(f) of this title.

(e) Notwithstanding any other provision of this section, at any time, on request of an entity that has an interest in property used, sold, or leased, or proposed to be used, sold, or leased, by the trustee, the court shall prohibit or condition such use, sale, or lease as is necessary to provide adequate protection of such interest. In any hearing under this section, the trustee has the burden of proof on the issue of adequate protection.

(f) The trustee may sell property under subsection (b) or (c) of this section free and clear of any interest in such property of an entity other than the estate, only if—

(1) applicable nonbankruptcy law permits sale of such property free and clear of such interest;

(2) such entity consents;

(3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of such interest;

(4) such interest is in bona fide dispute; or

(5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

(g) Notwithstanding subsection (f) of this section, the trustee may sell property under subsection (b) or (c) of this section free and clear of any vested or contingent right in the nature of dower or curtesy.

(h) Notwithstanding subsection (f) of this section, the trustee may sell both the estate's interest, under subsection (b) or (c) of this section, and the interest of any co-owner in property in which the debtor had, immediately before the commencement of the case, an undivided interest as a tenant in common, joint tenant, or tenant by the entirety, only if—

(1) partition in kind of such property among the estate and such co-owners is impracticable;

(2) sale of the estate's undivided interest in such property would realize significantly less for the estate than sale of such property free of the interests of such co-owners;

(3) the benefit to the estate of a sale of such property free of the interests of co-owners outweighs the detriment, if any, to such co-owners; and

(4) such property is not used in the production, transmission, or distribution, for sale, of electric energy or of natural or synthetic gas for heat, light, or power.

(i) Before the consummation of a sale of property to which subsection (g) or (h) of this section applies, or of property of the estate that was community property of the debtor and the debtor's spouse immediately before the commencement of the case, the debtor's spouse, or a co-owner of such property, as the case may be, may purchase such property at the price at which such sale is to be consummated.

(j) After a sale of property to which subsection (g) or (h) of this section applies, the trustee shall distribute to the debtor's spouse or the co-owners of such property, as the case may be, and to the estate, the proceeds of such sale, less the costs and expenses, not including any compenation of the trustee, of such sale, according to the interests of such spouse or co-owners, and of the estate.

(k) At a sale under subsection (b) of this section of property that is subject to a lien that secures an allowed claim, if the holder of such claim purchases such property, such holder may offset such claim against the purchase price of such property.

(l) The trustee may use, sell, or lease property under subsection (b) or (c) of this section, or a plan under chapter 11 or 13 of this title may provide for the use, sale, or lease of property, notwithstanding any provision in a contract, a lease, or applicable law that is conditioned on the insolvency or financial conditions of the debtor, on the commencement of a case under this title concerning the debtor, or on the appointment of a taking possession by a trustee in a case under this title or a custodian, and that effects, or gives an option to effect, a forfeiture, modification, or termination of the debtor's interests in such property.

Post, pp. 2626, 2645.

(m) The reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal.

(n) The trustee may void a sale under this section if the sale price

was controlled by an agreement among potential bidders at such sale, or may recover from a party to such agreement any amount by which the value of the property sold exceeds the price at which such sale was consummated, and may recover any costs, attorneys' fees, or expenses incurred in voiding such sale or recovering such amount. The court may grant judgment in favor of the estate and against any such party that entered into such agreement in willful disregard of this subsection for punitive damages in addition to any recovery under the preceding sentence.

11 USC 364.

§ 364. Obtaining credit

Post, pp. 2606, 2629, 2646.

(a) If the trustee is authorized to operate the business of the debtor under section 721, 1108, or 1304 of this title, unless the court orders otherwise, the trustee may obtain unsecured credit and incur unsecured debt in the ordinary course of business allowable under section 503(b)(1) of this title as an administrative expense.

Notice and hearing.

(b) The court, after notice and a hearing, may authorize the trustee to obtain unsecured credit or to incur unsecured debt other than under subsection (a) of this section, allowable under section 503(b)(1) of this title as an administrative expense.

(c) If the trustee is unable to obtain unsecured credit allowable under section 503(b)(1) of this title as an administrative expense, the court, after notice and a hearing, may authorize the obtaining of credit or the incurring of debt—

(1) with priority over any or all administrative expenses of the kind specified in section 503(b) or 507(b) of this title;

(2) secured by a lien on property of the estate that is not otherwise subject to a lien; or

(3) secured by a junior lien on property of the estate that is subject to a lien.

(d)(1) The court, after notice and a hearing, may authorize the obtaining of credit or the incurring of debt secured by a senior or equal lien on property of the estate that is subject to a lien only if—

(A) the trustee is unable to obtain such credit otherwise; and

(B) there is adequate protection of the interest of the holder of the lien on the property of the estate on which such senior or equal lien is proposed to be granted.

(2) In any hearing under this subsection, the trustee has the burden of proof on the issue of adequate protection.

(e) The reversal or modification on appeal of an authorization under this section to obtain credit or incur debt, or of a grant under this section of a priority or a lien, does not affect the validity of any debt so incurred, or any priority or lien so granted, to an entity that extended such credit in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and the incurring of such debt, or the granting of such priority or lien, were stayed pending appeal.

Post, p. 2639.

(f) Except with respect to an entity that is an underwriter as defined in section 1145(b) of this title, section 5 of the Securities Act of 1933 (15 U.S.C. 77e), the Trust Indenture Act of 1939 (15 U.S.C. 77aaa et seq.), and any State or local law requiring registration for offer or sale of a security or registration or licensing of an issuer of, underwriter of, or broker or dealer in, a security does not apply to the offer or sale under this section of a security that is not an equity security.

11 USC 365.

§ 365. Executory contracts and unexpired leases

Post, p. 2619.

(a) Except as provided in sections 765 and 766 of this title and in subsections (b), (c), and (d) of this section, the trustee, subject to the

court's approval, may assume or reject any executory contract or unexpired lease of the debtor.

(b) (1) If there has been a default in an executory contract or unexpired lease of the debtor, the trustee may not assume such contract or lease unless, at the time of assumption of such contract or lease, the trustee—

(A) cures, or provides adequate assurance that the trustee will promptly cure, such default;

(B) compensates, or provides adequate assurance that the trustee will promptly compensate, a party other than the debtor to such contract or lease, for any actual pecuniary loss to such party resulting from such default; and

(C) provides adequate assurance of future performance under such contract or lease.

(2) Paragraph (1) of this subsection does not apply to a default that is a breach of a provision relating to—

(A) the insolvency or financial condition of the debtor at any time before the closing of the case;

(B) the commencement of a case under this title; or

(C) the appointment of or taking possession by a trustee in a case under this title or a custodian before such commencement.

(3) For the purposes of paragraph (1) of this section, adequate assurance of future performance of a lease of real property in a shopping center includes adequate assurance—

(A) of the source of rent and other consideration due under such lease;

(B) that any percentage rent due under such lease will not decline substantially;

(C) that assumption or assignment of such lease will not breach substantially any provision, such as a radius, location, use, or exclusivity provision, in any other lease, financing agreement, or master agreement relating to such shopping center; and

(D) that assumption or assignment of such lease will not disrupt substantially any tenant mix or balance in such shopping center.

(4) Notwithstanding any other provision of this section, if there has been a default in an unexpired lease of the debtor, other than a default of a kind specified in paragraph (2) of this subsection, the trustee may not require a lessor to provide services or supplies incidental to such lease before assumption of such lease unless the lessor is compensated under the terms of such lease for any services and supplies provided under such lease before assumption of such lease.

(c) The trustee may not assume or assign an executory contract or unexpired lease of the debtor, whether or not such contract or lease prohibits or restricts assignment of rights or delegation of duties, if—

(1) (A) applicable law excuses a party, other than the debtor, to such contract or lease from accepting performance from or rendering performance to the trustee or an assignee of such contract or lease, whether or not such contract or lease prohibits or restricts assignment of rights or delegation of duties; and

(B) such party does not consent to such assumption or assignment; or

(2) such contract is a contract to make a loan, or extend other debt financing or financial accommodations, to or for the benefit of the debtor, or to issue a security of the debtor.

(d) (1) In a case under chapter 7 of this title, if the trustee does not assume or reject an executory contract or unexpired lease of the debtor within 60 days after the order for relief, or within such addi- *Post*, p. 2604.

tional time as the court, for cause, within such 60-day period, fixes, then such contract or lease is deemed rejected.

Post, pp. 2621, 2626, 2645.

(2) In a case under chapter 9, 11, or 13 of this title, the trustee may assume or reject an executory contract or unexpired lease of the debtor at any time before the confirmation of a plan, but the court, on request of any party to such contract or lease, may order the trustee to determine within a specified period of time whether to assume or reject such contract or lease.

(e)(1) Notwithstanding a provision in an executory contract or unexpired lease, or in applicable law, an executory contract or unexpired lease of the debtor may not be terminated or modified, and any right or obligation under such contract or lease may not be terminated or modified, at any time after the commencement of the case solely because of a provision in such contract or lease that is conditioned on—

(A) the insolvency or financial condition of the debtor at any time before the closing of the case;

(B) the commencement of a case under this title; or

(C) the appointment of or taking possession by a trustee in a case under this title or a custodian before such commencement.

(2) Paragraph (1) of this subsection does not apply to an executory contract or unexpired lease of the debtor, whether or not such contract or lease prohibits or restricts assignment of rights or delegation of duties, if—

(A)(i) applicable law excuses a party, other than the debtor, to such contract or lease from accepting performance from or rendering performance to the trustee or to an assignee of such contract or lease, whether or not such contract or lease prohibits or restricts assignment of rights or delegation of duties; and

(ii) such party does not consent to such assumption or assignment; or

(B) such contract is a contract to make a loan, or extend other debt financing or financial accommodations, to or for the benefit of the debtor, or to issue a security of the debtor.

(f)(1) Except as provided in subsection (c) of this section, notwithstanding a provision in an executory contract or unexpired lease of the debtor, or in applicable law, that prohibits, restricts, or conditions the assignment of such contract or lease, the trustee may assign such contract or lease under paragraph (2) of this subsection.

(2) The trustee may assign an executory contract or unexpired lease of the debtor only if—

(A) the trustee assumes such contract or lease in accordance with the provisions of this section; and

(B) adequate assurance of future performance by the assignee of such contract or lease is provided, whether or not there has been a default in such contract or lease.

(3) Notwithstanding a provision in an executory contract or unexpired lease of the debtor, or in applicable law that terminates or modifies, or permits a party other than the debtor to terminate or modify, such contract or lease or a right or obligation under such contract or lease on account of an assignment of such contract or lease, such contract, lease, right, or obligation may not be terminated or modified under such provision because of the assumption or assignment of such contract or lease by the trustee.

(g) Except as provided in subsections (h)(2) and (i)(2) of this section, the rejection of an executory contract or unexpired lease of the debtor constitutes a breach of such contract or lease—

(1) if such contract or lease has not been assumed under this section or under a plan confirmed under chapter 9, 11, or 13 of this title, immediately before the date of the filing of the petition; or

Post, pp. 2621, 2626, 2645.

(2) if such contract or lease has been assumed under this section or under a plan confirmed under chapter 9, 11, or 13 of this title—

(A) if before such rejection the case has not been converted under section 1112 or 1307 of this title, at the time of such rejection; or

Post, pp. 2630, 2647.

(B) if before such rejection the case has been converted under section 1112 or 1307 of this title—

(i) immediately before the date of such conversion, if such contract or lease was assumed before such conversion; or

(ii) at the time of such rejection, if such contract or lease was assumed after such conversion.

(h)(1) If the trustee rejects an unexpired lease of real property of the debtor under which the debtor is the lessor, the lessee under such lease may treat the lease as terminated by such rejection, or, in the alternative, may remain in possession for the balance of the term of such lease and any renewal or extension of such term that is enforceable by such lessee under applicable nonbankruptcy law.

(2) If such lessee remains in possession, such lessee may offset against the rent reserved under such lease for the balance of the term after the date of the rejection of such lease, and any such renewal or extension, any damages occurring after such date caused by the nonperformance of any obligation of the debtor after such date, but such lessee does not have any rights against the estate on account of any damages arising after such date from such rejection, other than such offset.

(i)(1) If the trustee rejects an executory contract of the debtor for the sale of real property under which the purchaser is in possession, such purchaser may treat such contract as terminated, or, in the alternative, may remain in possession of such real property.

(2) If such purchaser remains in possession—

(A) such purchaser shall continue to make all payments due under such contract, but may, offset against such payments any damages occurring after the date of the rejection of such contract caused by the nonperformance of any obligation of the debtor after such date, but such purchaser does not have any rights against the estate on account of any damages arising after such date from such rejection, other than such offset; and

(B) the trustee shall deliver title to such purchaser in accordance with the provisions of such contract, but is relieved of all other obligations to perform under such contract.

(j) A purchaser that treats an executory contract as terminated under subsection (i) of this section, or a party whose executory contract to purchase real property from the debtor is rejected and under which such party is not in possession, has a lien on the interest of the debtor in such property for the recovery of any portion of the purchase price that such purchaser or party has paid.

(k) Assignment by the trustee to an entity of a contract or lease assumed under this section relieves the trustee and the estate from any liability for any breach of such contract or lease occurring after such assignment.

11 USC 366.

§ 366. Utility service

(a) Except as provided in subsection (b) of this section, a utility may not alter, refuse, or discontinue service to, or discriminate against, the trustee or the debtor solely on the basis that a debt owed by the debtor to such utility for service rendered before the order for relief was not paid when due.

(b) Such utility may alter, refuse, or discontinue service if neither the trustee nor the debtor, within 20 days after the date of the order for relief, furnishes adequate assurance of payment, in the form of a deposit or other security, for service after such date. On request of a party in interest and after notice and a hearing, the court may order reasonable modification of the amount of the deposit or other security necessary to provide adequate assurance of payment.

CHAPTER 5—CREDITORS, THE DEBTOR, AND THE ESTATE

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SUBCHAPTER I—CREDITORS AND CLAIMS

11 USC 501.

§ 501. Filing of proofs of claims or interests

(a) A creditor or an indenture trustee may file a proof of claim. An equity security holder may file a proof of interest.

(b) If a creditor does not timely file a proof of such creditor's claim, an entity that is liable to such creditor with the debtor, or that has secured such creditor, may file a proof of such claim.

(c) If a creditor does not timely file a proof of such creditor's claim, the debtor or the trustee may file a proof of such claim.

(d) A claim of a kind specified in section 502(f), 502(g), 502(h) or 502(i) of this title may be filed under subsection (a), (b), or (c) of this section the same as if such claim were a claim against the debtor and had arisen before the date of the filing of the petition.

§ 502. Allowance of claims or interests 11 USC 502.

(a) A claim or interest, proof of which is filed under section 501 of this title, is deemed allowed, unless a party in interest, including a creditor of a partner in a partnership that is a debtor in a case under chapter 7 of this title, objects. *Post*, p. 2604.

(b) Except as provided in subsections (f), (g), (h) and (i) of this section, if such objection to a claim is made, the court, after notice and a hearing, shall determine the amount of such claim as of the date of the filing of the petition, and shall allow such claim in such amount, except to the extent that—

(1) such claim is unenforceable against the debtor, and unenforceable against property of the debtor, under any agreement or applicable law for a reason other than because such claim is contingent or unmatured;

(2) such claim is for unmatured interest;

(3) such claim may be offset under section 553 of this title against a debt owing to the debtor; *Post*, p. 2602.

(4) if such claim is for a tax assessed against property of the estate, such claim exceeds value of the interest of the estate in such property;

(5) if such claim is for services of an insider or attorney of the debtor, such claim exceeds the reasonable value of such services;

(6) the claim is for a debt that is unmatured on the date of the filing of the petition, and that is excepted from discharge under section 523(a)(5) of this title;

(7) if such claim is the claim of a lessor for damages resulting from the termination of a lease of real property, such claim exceeds—

(A) the rent reserved by such lease, without acceleration, for the greater of one year, or 15 percent, not to exceed three years, of the remaining term of such lease, following the earlier of—

(i) the date of the filing of the petition; and

(ii) the date on which such lessor repossessed, or the lessee surrendered, the leased property; plus

(B) any unpaid rent due under such lease, without acceleration, on the earlier of such dates;

(8) if such claim is for damages resulting from the termination of an employment contract, such claim exceeds—

(A) the compensation provided by such contract, without acceleration, for one year following the earlier of—

(i) the date of the filing of the petition; and

(ii) the date on which the employer directed the employee to terminate, or such employee terminated, performance under such contract; plus

(B) the unpaid compensation due under such contract without acceleration, on the earlier of such dates; or

(9) such claim results from a reduction, due to late payment, in the amount of an otherwise applicable credit available to the

debtor in connection with an employment tax on wages, salaries, or commissions earned from the debtor.

(c) There shall be estimated for purpose of allowance under this section—

(1) any contingent or unliquidated claim, fixing or liquidation of which, as the case may be, would unduly delay the closing of the case; or

(2) any right to an equitable remedy for breach of performance if such breach gives rise to a right to payment.

(d) Notwithstanding subsections (a) and (b) of this section, the court shall disallow any claim of any entity from which property is recoverable under section 542, 543, 550, or 553 of this title or that is a transferee of a transfer avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of this title, unless such entity or transferee has paid the amount, or turned over any such property, for which such entity or transferee is liable under section 522(i), 542, 543, 550, or 553 of this title.

Post, pp. 2601, 2602.

Post, pp. 2601, 2607.

(e)(1) Notwithstanding subsections (a) and (b) of this section and paragraph (2) of this subsection, the court shall disallow any claim for reimbursement or contribution of an entity that is liable with the debtor on, or has secured, the claim of a creditor, to the extent that—

(A) such creditor's claim against the estate is disallowed;

(B) such claim for reimbursement or contribution is contingent as of the time of allowance of such claim for reimbursement or contribution; or

(C) such entity requests subrogation under section 509 of this title to the rights of such creditor.

(2) A claim for reimbursement or contribution of such an entity that becomes fixed after the commencement of the case shall be determined, and shall be allowed under subsection (a), (b), or (c) of this section, or disallowed under subsection (d) of this section, the same as if such claim had become fixed before the date of the filing of the petition.

(f) In an involuntary case, a claim arising in the ordinary course of the debtor's business or financial affairs after the commencement of the case but before the earlier of the appointment of a trustee and the order for relief shall be determined as of the date such claim arises, and shall be allowed under subsection (a), (b), or (c) of this section or disallowed under subsection (d) or (e) of this section, the same as if such claim had arisen before the date of the filing of the petition.

(g) A claim arising from the rejection, under section 365 of this title or under a plan under chapter 9, 11, or 13 of this title, of an executory contract or unexpired lease of the debtor that has not been assumed shall be determined, and shall be allowed under subsection (a), (b), or (c) of this section or disallowed under subsection (d) or (e) of this section, the same as if such claim had arisen before the date of the filing of the petition.

Post, pp. 2621, 2626, 2645.

(h) A claim arising from the recovery of property under section 522(i), 550, or 553 of this title shall be determined, and shall be allowed under subsection (a), (b), or (c) of this section, or disallowed under subsection (d) or (e) of this section, the same as if such claim had arisen before the date of the filing of the petition.

(i) A claim that does not arise until after the commencement of the case for a tax entitled to priority under section 507(a)(6) of this title shall be determined, and shall be allowed under subsection (a),

(b), or (c) of this section, or disallowed under subsection (d) or (e) of this section, the same as if such claim had arisen before the date of the filing of the petition.

(j) Before a case is closed, a claim that has been allowed may be reconsidered for cause, and reallowed or disallowed according to the equities of the case.

§ 503. Allowance of administrative expenses 11 USC 503.

(a) An entity may file a request for payment of an administrative expense.

(b) After notice and a hearing, there shall be allowed, administrative expenses, other than claims allowed under section 502(f) of this title, including—

(1)(A) the actual, necessary costs and expenses of preserving the estate, including wages, salaries, or commissions for services rendered after the commencement of the case;

(B) any tax—

(i) incurred by the estate, except a tax of a kind specified in section 507(a)(6) of this title; or

(ii) attributable to an excessive allowance of a tentative carryback adjustment that the estate received, whether the taxable year to which such adjustment relates ended before or after the commencement of the case; and

(C) any fine, penalty, or reduction in credit, relating to a tax of a kind specified in subparagraph (B) of this paragraph;

(2) compensation and reimbursement awarded under section 330 of this title;

(3) the actual, necessary expenses, other than compensation and reimbursement specified in paragraph (4) of this subsection incurred by—

(A) a creditor that files a petition under section 303 of this title; *Ante*, p. 2559.

(B) a creditor that recovers, after the court's approval, for the benefit of the estate any property transferred or concealed by the debtor;

(C) a creditor in connection with the prosecution of a criminal offense relating to the case, or to the business or property of the debtor;

(D) a creditor, an indenture trustee, an equity security holder, or a committee representing creditors or equity security holders other than a committee appointed under section 1102 of this title, in making a substantial contribution in a case under chapter 9 or 11 of this title; or *Post*, p. 2626. *Post*, pp. 2621, 2626.

(E) a custodian superseded under section 543 of this title, and compensation for the services of such custodian;

(4) reasonable compensation for professional services rendered by an attorney or an accountant of an entity whose expense is allowable under paragraph (3) of this subsection, based on the time, the nature, the extent, and the value of such services, and the cost of comparable services other than in a case under this title, and reimbursement for actual, necessary expenses incurred by such attorney or accountant;

(5) reasonable compensation for services rendered by an indenture trustee in making a substantial contribution in a case under chapter 9 or 11 of this title, based on the time, the nature, the extent, and the value of such services, and the cost of comparable services other than in a case under this title; and

28 USC 1821 *et seq.*

(6) the fees and mileage payable under chapter 119 of title 28.

11 USC 504.

§ 504. Sharing of compensation

(a) Except as provided in subsection (b) of this section, a person receiving compensation or reimbursement under section 503(b)(2) or 503(b)(4) of this title may not share or agree to share—

(1) any such compensation or reimbursement with another person; or

(2) any compensation or reimbursement received by another person under such sections.

(b)(1) A member, partner, or regular associate in a professional association, corporation, or partnership may share compensation or reimbursement received under section 503(b)(2) or 503(b)(4) of this title with another member, partner, or regular associate in such association, corporation, or partnership, and may share in any compensation or reimbursement received under such sections by another member, partner, or regular associate in such association, corporation, or partnership.

(2) An attorney for a creditor that files a petition under section 303 of this title may share compensation and reimbursement received under section 503(b)(4) of this title with any other attorney contributing to the services rendered or expenses incurred by such creditor's attorney.

11 USC 505.

§ 505. Determination of tax liability

(a)(1) Except as provided in paragraph (2) of this subsection, the court may determine the amount or legality of any tax, any fine or penalty relating to a tax, or any addition to tax, whether or not previously assessed, whether or not paid, and whether or not contested before and adjudicated by a judicial or administrative tribunal of competent jurisdiction.

(2) The court may not so determine—

(A) the amount or legality of a tax, fine, penalty, or addition to tax if such amount or legality was contested before and adjudicated by a judicial or administrative tribunal of competent jurisdiction before the commencement of the case under this title; or

(B) any right of the estate to a tax refund, before the earlier of—

(i) 120 days after the trustee properly requests such refund from the governmental unit from which such refund is claimed; and

(ii) a determination by such governmental unit of such request.

(b) A trustee may request a determination of any unpaid liability of the estate for any tax incurred during the administration of the case by submitting a tax return for such tax and a request for such a determination to the governmental unit charged with responsibility for collection or determination of such tax. Unless such return is fraudulent, or contains a material misrepresentation, the trustee, the debtor, and any successor to the debtor are discharged from any liability for such tax—

(1) upon payment of the tax shown on such return, if—

(A) such governmental unit does not notify the trustee, within 60 days after such request, that such return has been selected for examination; or

(B) such governmental unit does not complete such an examination and notify the trustee of any tax due, within 180

days after such request or within such additional time as the court, for cause, permits;

(2) upon payment of the tax determined by the court, after notice and a hearing, after completion by such governmental unit of such examination; or

(3) upon payment of the tax determined by such governmental unit to be due.

(c) Notwithstanding section 362 of this title, after determination by the court of a tax under this section, the governmental unit charged with responsibility for collection of such tax may assess such tax against the estate, the debtor, or a successor to the debtor, as the case may be, subject to any otherwise applicable law.

§ 506. Determination of secured status 11 USC 506.

(a) An allowed claim of a creditor secured by a lien on property in which the estate has an interest, or that is subject to setoff under section 553 of this title, is a secured claim to the extent of the value of such creditor's interest in the estate's interest in such property, or to the extent of the amount subject to setoff, as the case may be, and is an unsecured claim to the extent that the value of such creditor's interest or the amount so subject to setoff is less than the amount of such allowed claim. Such value shall be determined in light of the purpose of the valuation and of the proposed disposition or use of such property, and in conjunction with any hearing on such disposition or use or on a plan affecting such creditor's interest.

(b) To the extent that an allowed secured claim is secured by property the value of which, after any recovery under subsection (c) of this section, is greater than the amount of such claim, there shall be allowed to the holder of such claim, interest on such claim, and any reasonable fees, costs, or charges provided under the agreement under which such claim arose.

(c) The trustee may recover from property securing an allowed secured claim the reasonable, necessary costs and expenses of preserving, or disposing of, such property to the extent of any benefit to the holder of such claim.

(d) To the extent that a lien secures a claim against the debtor that is not an allowed secured claim, such lien is void, unless—

(1) a party in interest has not requested that the court determine and allow or disallow such claim under section 502 of this title; or

(2) such claim was disallowed only under section 502(e) of this title.

§ 507. Priorities 11 USC 507.

(a) The following expenses and claims have priority in the following order:

(1) First, administrative expenses allowed under section 503(b) of this title, and any fees and charges assessed against the estate under chapter 123 of title 28. 28 USC 1911 *et seq.*

(2) Second, unsecured claims allowed under section 502(f) of this title.

(3) Third, allowed unsecured claims for wages, salaries, or commissions, including vacation, severance and sick leave pay—

(A) earned by an individual within 90 days before the date of the filing of the petition or the date of the cessation of the debtor's business, whichever occurs first; but only

(B) to the extent of $2,000 for each such individual.

(4) Fourth, allowed unsecured claims for contributions to employee benefit plans—

(A) arising from services rendered within 180 days before the date of the filing of the petition or the date of the cessation of the debtor's business, whichever occurs first; but only

(B) for each such plan, to the extent of—

(i) the number of employees covered by such plan multiplied by $2,000; less

(ii) the aggregate amount paid to such employees under paragraph (3) of this subsection, plus the aggregate amount paid by the estate on behalf of such employees to any other employee benefit plan.

(5) Fifth, allowed unsecured claims of individuals, to the extent of $900 for each such individual, arising from the deposit, before the commencement of the case, of money in connection with the purchase, lease, or rental of property, or the purchase of services, for the personal, family, or household use of such individuals, that were not delivered or provided.

(6) Sixth, allowed unsecured claims of governmental units, to the extent that such claims are for—

(A) a tax on or measured by income or gross receipts—

(i) for a taxable year ending on or before the date of the filing of the petition for which a return, if required, is last due, including extensions, after three years before the date of the filing of the petition;

(ii) assessed within 240 days, plus any time plus 30 days during which an offer in compromise with respect to such tax that was made within 240 days after such assessment was pending, before the date of the filing of the petition; or

(iii) other than a tax of a kind specified in section 523(a)(1)(B) or 523(a)(1)(C) of this title, not assessed before, but assessable, under applicable law or by agreement, after, the commencement of the case;

(B) a property tax assessed before the commencement of the case and last payable without penalty after one year before the date of the filing of the petition;

(C) a tax required to be collected or withheld and for which the debtor is liable in whatever capacity;

(D) an employment tax on a wage, salary, or commission of a kind specified in paragraph (3) of this subsection earned from the debtor before the date of the filing of the petition, whether or not actually paid before such date, for which a return is last due, under applicable law or under any extension, after three years before the date of the filing of the petition;

(E) an excise tax on—

(i) a transaction occurring before the date of the filing of the petition for which a return, if required, is last due, under applicable law or under any extension, after three years before the date of the filing of the petition; or

(ii) if a return is not required, a transaction occurring during the three years immediately preceding the date of the filing of the petition;

(F) a customs duty arising out of the importation of merchandise—

(i) entered for consumption within one year before the date of the filing of the petition;

(ii) covered by an entry liquidated or reliquidated within one year before the date of the filing of the petition; or

(iii) entered for consumption within four years before the date of the filing of the petition but unliquidated on such date, if the Secretary of the Treasury certifies that failure to liquidate such entry was due to an investigation pending on such date into assessment of antidumping or countervailing duties or fraud, or if information needed for the proper appraisement or classification of such merchandise was not available to the appropriate customs officer before such date; or

(G) a penalty related to a claim of a kind specified in this paragraph and in compensation for actual pecuniary loss.

(b) If the trustee, under section 362, 363, or 364 of this title, provides adequate protection of the interest of a holder of a claim secured by a lien on property of the debtor and if, notwithstanding such protection, such creditor has a claim allowable under subsection (a)(1) of this section arising from the stay of action against such property under section 362 of this title, from the use, sale, or lease of such property under section 363 of this title, or from the granting of a lien under section 364(d) of this title, then such creditor's claim under such subsection shall have priority over every other claim allowable under such subsection.

(c) For the purpose of subsection (a) of this section, a claim of a governmental unit arising from an erroneous refund or credit of a tax shall be treated the same as a claim for the tax to which such refund or credit relates.

(d) An entity that is subrogated to the rights of a holder of a claim of a kind specified in subsection (a)(3), (a)(4), (a)(5), or (a)(6) of this section is not subrogated to the right of the holder of such claim to priority under such subsection.

§ 508. Effect of distribution other than under this title 11 USC 508.

(a) If a creditor receives, in a foreign proceeding, payment of, or a transfer of property on account of, a claim that is allowed under this title, such creditor may not receive any payment under this title on account of such claim until each of the other holders of claims on account of which such holders are entitled to share equally with such creditor under this title has received payment under this title equal in value to the consideration received by such creditor in such foreign proceeding.

(b) If a creditor of a partnership debtor receives, from a general partner that is not a debtor in a case under chapter 7 of this title, payment of, or a transfer of property on account of, a claim that is allowed under this title and that is not secured by a lien on property of such partner, such creditor may not receive any payment under this title on account of such claim until each of the other holders of claims on account of which such holders are entitled to share equally with such creditor under this title has received payment under this title equal in value to the consideration received by such creditor from such general partner.

§ 509. Claims of codebtors 11 USC 509.

(a) Except as provided in subsections (b) and (c) of this section, an entity that is liable with the debtor on, or that has secured, a claim

of a creditor, and that pays such claim, is subrogated to the rights of such creditor to the extent of such payment.

(b) Such entity is not subrogated to the rights of such creditor to the extent that—

(1) a claim of such entity for reimbursement or contribution on account of a payment of such creditor's claim is—

(A) allowed under section 502 of this title;

(B) disallowed other than under section 502(e) of this title; or

(C) subordinated under section 510 of this title; or

(2) as between the debtor and such entity, such entity received the consideration for the claim held by such creditor.

(c) The court shall subordinate to the claim of a creditor and for the benefit of such creditor an allowed claim, by way of subrogation under section 509 of this title, or for reimbursement or contribution, of an entity that is liable with the debtor on, or that has secured, such creditor's claim, until such creditor's claim is paid in full, either through payments under this title or otherwise.

11 USC 510.

§ 510. Subordination

(a) A subordination agreement is enforceable in a case under this title to the same extent that such agreement is enforceable under applicable nonbankruptcy law.

(b) Any claim for recission of a purchase or sale of a security of the debtor or of an affiliate or for damages arising from the purchase or sale of such a security shall be subordinated for purposes of distribution to all claims and interests that are senior or equal to the claim or interest represented by such security.

(c) Notwithstanding subsections (a) and (b) of this section, after notice and a hearing, the court may—

(1) under principles of equitable subordination, subordinate for purposes of distribution all or part of an allowed claim to all or part of another allowed claim or all or part of an allowed interest to all or part of another allowed interest; or

(2) order that any lien securing such a subordinated claim be transferred to the estate.

SUBCHAPTER II—DEBTOR'S DUTIES AND BENEFITS

11 USC 521.

§ 521. Debtor's duties

The debtor shall—

(1) file a list of creditors, and unless the court orders otherwise, a schedule of assets and liabilities, and a statement of the debtor's financial affairs;

(2) if a trustee is serving in the case, cooperate with the trustee as necessary to enable the trustee to perform the trustee's duties under this title;

(3) if a trustee is serving in the case, surrender to the trustee all property of the estate and any recorded information, including books, documents, records, and papers, relating to property of the estate; and

(4) appear at the hearing required under section 524(d) of this title.

11 USC 522.

§ 522. Exemptions

(a) In this section—

(1) "dependent" includes spouse, whether or not actually dependent; and

(2) "value" means fair market value as of the date of the filing of the petition.

(b) Notwithstanding section 541 of this title, an individual debtor may exempt from property of the estate either—

(1) property that is specified under subsection (d) of this section, unless the State law that is applicable to the debtor under paragraph (2)(A) of this subsection specifically does not so authorize; or, in the alternative,

(2)(A) any property that is exempt under Federal law, other than subsection (d) of this section, or State or local law that is applicable on the date of the filing of the petition at the place in which the debtor's domicile has been located for the 180 days immediately preceding the date of the filing of the petition, or for a longer portion of such 180-day period than in any other place; and

(B) any interest in property in which the debtor had, immediately before the commencement of the case, an interest as a tenant by the entirety or joint tenant to the extent that such interest as a tenant by the entirety or joint tenant is exempt from process under applicable nonbankruptcy law.

(c) Unless the case is dismissed, property exempted under this section is not liable during or after the case for any debt of the debtor that arose, or that is determined under section 502 of this title as if such claim had arisen before the commencement of the case, except—

(1) a debt of a kind specified in section 523(a)(1) or section 523(a)(5) of this title; or

(2) a lien that is—

(A) not avoided under section 544, 545, 547, 548, 549, or 724(a) of this title; *Post*, p. 2607.

(B) not voided under section 506(d) of this title; or

(C)(i) a tax lien, notice of which is properly filed; and

(ii) avoided under section 545(2) of this title.

(d) The following property may be exempted under subsection (b)(1) of this section:

(1) The debtor's aggregate interest, not to exceed $7,500 in value, in real property or personal property that the debtor or a dependent of the debtor uses as a residence, in a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence, or in a burial plot for the debtor or a dependent of the debtor.

(2) The debtor's interest, not to exceed $1,200 in value, in one motor vehicle.

(3) The debtor's interest, not to exceed $200 in value in any particular item, in household furnishings, household goods, wearing apparel, appliances, books, animals, crops, or musical instruments, that are held primarily for the personal, family, or household use of the debtor or a dependent of the debtor.

(4) The debtor's aggregate interest, not to exceed $500 in value, in jewelry held primarily for the personal, family, or household use of the debtor or a dependent of the debtor.

(5) The debtor's aggregate interest, not to exceed in value $400 plus any unused amount of the exemption provided under paragraph (1) of this subsection, in any property.

(6) The debtor's aggregate interest, not to exceed $750 in value,

in any implements, professional books, or tools, of the trade of the debtor or the trade of a dependent of the debtor.

(7) Any unmatured life insurance contract owned by the debtor, other than a credit life insurance contract.

(8) The debtor's aggregate interest, not to exceed in value $4,000 less any amount of property of the estate transferred in the manner specified in section 542(d) of this title, in any accrued dividend or interest under, or loan value of, any unmatured life insurance contract owned by the debtor under which the insured is the debtor or an individual of whom the debtor is a dependent.

(9) Professionally prescribed health aids for the debtor or a dependent of the debtor.

(10) The debtor's right to receive—

(A) a social security benefit, unemployment compensation, or a local public assistance benefit;

(B) a veterans' benefit;

(C) a disability, illness, or unemployment benefit;

(D) alimony, support, or separate maintenance, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor;

(E) a payment under a stock bonus, pension, profitsharing, annuity, or similar plan or contract on account of illness, disability, death, age, or length of service, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor, unless—

(i) such plan or contract was established by or under the auspices of an insider that employed the debtor at the time the debtor's rights under such plan or contract arose;

(ii) such payment is on account of age or length of service; and

(iii) such plan or contract does not qualify under section 401(a), 403(a), 403(b), 408, or 409 of the Internal Revenue Code of 1954 (26 U.S.C. 401(a), 403(a), 403(b), 408, or 409).

(11) The debtor's right to receive, or property that is traceable to—

(A) an award under a crime victim's reparation law;

(B) a payment on account of the wrongful death of an individual of whom the debtor was a dependent, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor;

(C) a payment under a life insurance contract that insured the life of an individual of whom the debtor was a dependent on the date of such individual's death, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor;

(D) a payment, not to exceed $7,500, on account of personal bodily injury, not including pain and suffering or compensation for actual pecuniary loss, of the debtor or an individual of whom the debtor is a dependent; or

(E) a payment in compensation of loss of future earnings of the debtor or an individual of whom the debtor is or was a dependent, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor.

Waiver.

(c) A waiver of exemptions executed in favor of a creditor that holds an unsecured claim against the debtor is unenforceable in a case

under this title with respect to such claim against property that the debtor may exempt under subsection (b) of this section. A waiver by the debtor of a power under subsection (f) or (h) of this section to avoid a transfer, under subsection (g) or (i) of this section to exempt property, or under subsection (i) of this section to recover property or to preserve a transfer, is unenforceable in a case under this title.

(f) Notwithstanding any waiver of exemptions, the debtor may avoid the fixing of a lien on an interest of the debtor in property to the extent that such lien impairs an exemption to which the debtor would have been entitled under subsection (b) of this section, if such lien is—

(1) a judicial lien; or

(2) a nonpossessory, nonpurchase-money security interest in any—

(A) household furnishings, household goods, wearing apparel, appliances, books, animals, crops, musical instruments, or jewelry that are held primarily for the personal, family, or household use of the debtor or a dependent of the debtor;

(B) implements, professional books, or tools, of the trade of the debtor or the trade of a dependent of the debtor; or

(C) professionally prescribed health aids for the debtor or a dependent of the debtor.

(g) Notwithstanding sections 550 and 551 of this title, the debtor may exempt under subsection (b) of this section property that the trustee recovers under section 510(c)(2), 542, 543, 550, 551, or 553 of this title, to the extent that the debtor could have exempted such property under subsection (b) of this section if such property had not been transferred, if—

(1)(A) such transfer was not a voluntary transfer of such property by the debtor; and

(B) the debtor did not conceal such property; or

(2) the debtor could have avoided such transfer under subsection (f)(2) of this section.

(h) The debtor may avoid a transfer of property of the debtor or recover a setoff to the extent that the debtor could have exempted such property under subsection (g)(1) of this section if the trustee had avoided such transfer, if—

(1) such transfer is avoidable by the trustee under section 544, 545, 547, 548, 549, or 724(a) of this title or recoverable by the trustee under section 553 of this tittle; and

(2) the trustee does not attempt to avoid such transfer.

(i)(1) If the debtor avoids a transfer or recovers a setoff under subsection (f) or (h) of this section, the debtor may recover in the manner prescribed by, and subject to the limitations of, section 550 of this title, the same as if the trustee had avoided such transfer, and may exempt any property so recovered under subsection (b) of this section.

(2) Notwithstanding section 551 of this title, a transfer avoided under section 544, 545, 547, 548, 549, or 724(a) of this title, under subsection (f) or (h) of this section, or property recovered under section 553 of this title, may be preserved for the benefit of the debtor to the extent that the debtor may exempt such property under subsection (g) of his section or paragraph (1) of this subsection.

(j) Notwithstanding subsections (g) and (i) of this section, the debtor may exempt a particular kind of property under subsections (g) and (i) of this section only to the extent that the debtor has

exempted less property in value of such kind than that to which the debtor is entitled under subsection (b) of this section.

(k) Property that the debtor exempts under this section is not liable for payment of any administrative expense except—

(1) the aliquot share of the costs and expenses of avoiding a transfer of property that the debtor exempts under subsection (g) of this section, or of recovery of such property, that is attributable to the value of the portion of such property exempted in relation to the value of the property recovered; and

(2) any costs and expenses of avoiding a transfer under subsection (f) or (h) of this section, or of recovery of property under subsection (i)(1) of this section, that the debtor has not paid.

(l) The debtor shall file a list of property that the debtor claims as exempt under subsection (b) of this section. If the debtor does not file such a list, a dependent of the debtor may file such a list, or may claim property as exempt from property of the estate on behalf of the debtor. Unless a party in interest objects, the property claimed as exempt on such list is exempt.

(m) This section shall apply separately with respect to each debtor in a joint case.

11 USC 523.

§ 523. Exceptions to discharge

Post, pp. 2638, 2650.

(a) A discharge under section 727, 1141, or 1328(b) of this title does not discharge an individual debtor from any debt—

(1) for a tax or a customs duty—

(A) of the kind and for the periods specified in section 507(a)(2) or 507(a)(6) of this title, whether or not a claim for such tax was filed or allowed;

(B) with respect to which a return, if required—

(i) was not filed; or

(ii) was filed after the date on which such return was last due, under applicable law or under any extension, and after two years before the date of the filing of the petition; or

(C) with respect to which the debtor made a fraudulent return or willfully attempted in any manner to evade or defeat such tax;

(2) for obtaining money, property, services, or an extension, renewal, or refinance of credit, by—

(A) false pretenses, a false representation, or actual fraud, other than a statement respecting the debtor's or an insider's financial condition; or

(B) use of a statement in writing—

(i) that is materially false;

(ii) respecting the debtor's or an insider's financial condition;

(iii) on which the creditor to whom the debtor is liable for obtaining such money, property, services, or credit reasonably relied; and

(iv) that the debtor caused to be made or published with intent to deceive;

(3) neither listed nor scheduled under section 521(1) of this title, with the name, if known to the debtor, of the creditor to whom such debt is owed, in time to permit—

(A) if such debt is not of a kind specified in paragraph (2), (4), or (6) of this subsection, timely filing of a proof of claim, unless such creditor had notice or actual knowledge of the case in time for such timely filing; or

(B) if such debt is of a kind specified in paragraph (2), (4), or (6) of this subsection, timely filing of a proof of claim and timely request for a determination of dischargeability of such debt under one of such paragraphs, unless such creditor had notice or actual knowledge of the case in time for such timely filing and request;

(4) for fraud or defalcation while acting in a fiduciary capacity, embezzlement, or larceny;

(5) to a spouse, former spouse, or child of the debtor, for alimony to, maintenance for, or support of such spouse or child, in connection with a separation agreement, divorce decree, or property settlement agreement, but not to the extent that—

(A) such debt is assigned to another entity, voluntarily, by operation of law, or otherwise; or

(B) such debt includes a liability designated as alimony, maintenance, or support, unless such liability is actually in the nature of alimony, maintenance, or support;

(6) for willful and malicious injury by the debtor to another entity or to the property of another entity;

(7) to the extent such debt is for a fine, penalty, or forfeiture payable to and for the benefit of a governmental unit, and is not compensation for actual pecuniary loss, other than a tax penalty—

(A) relating to a tax of a kind not specified in paragraph (1) of this subsection; or

(B) imposed with respect to a transaction or event that occurred before three years before the date of the filing of the petition;

(8) to a governmental unit, or a nonprofit institution of higher education, for an educational loan, unless—

(A) such loan first became due before five years before the date of the filing of the petition; or

(B) excepting such debt from discharge under this paragraph will impose an undue hardship on the debtor and the debtor's dependents; or

(9) that was or could have been listed or scheduled by the debtor in a prior case concerning the debtor under this title or under the Bankruptcy Act in which the debtor waived discharge, or was denied a discharge under section 727(a) (2), (3), (4), (5), (6), or (7) of this title, or under section 14c (1), (2), (3), (4), (6), or (7) of such Act. 11 USC prec. 1. 11 USC 32.

(b) Notwithstanding subsection (a) of this section, a debt that was excepted from discharge under subsection (a)(1), (a)(3), or (a)(8) of this section, under section 17a(1), 17a(3), or 17a(5) of the Bankruptcy Act, under section 439A of the Higher Education Act of 1965 (20 U.S.C. 1087-3), or under section 733(g) of the Public Health Services Act (42 U.S.C. 294f) in a prior case concerning the debtor under this title, or under the Bankruptcy Act, is dischargeable in a case under this title unless, by the terms of subsection (a) of this section, such debt is not dischargeable in the case under this title. 11 USC 35.

(c) Except as provided in subsection (a)(3)(B) of this section, the debtor shall be discharged from a debt specified in paragraph (2), (4), or (6) of subsection (a) of this section, unless, on request of the creditor to whom such debt is owed, and after notice and a hearing, the court determines such debt to be excepted from discharge under paragraph (2), (4), or (6), as the case may be, of subsection (a) of this section.

(d) If a creditor requests a determination of dischargeability of a consumer debt under subsection (a)(2) of this section, and such debt is discharged, the court shall grant judgment against such creditor and in favor of the debtor for the costs of, and a reasonable attorney's fee for, the proceeding to determine dischargeability, unless such granting of judgment would be clearly inequitable.

11 USC 524.

§ 524. Effect of discharge

(a) A discharge in a case under this title—

(1) voids any judgment at any time obtained, to the extent that such judgment is a determination of the personal liability of the debtor with respect to any debt discharged under section 727, 944, 1141, or 1328 of this title, whether or not discharge of such debt is waived;

Post, pp. 2624, 2638, 2650.

(2) operates as an injunction against the commencement or continuation of an action, the employment of process, or any act, to collect, recover or offset any such debt as a personal liability of the debtor, or from property of the debtor, whether or not discharge of such debt is waived; and

(3) operates as an injunction against the commencement or continuation of an action, the employment of process, or any act, to collect or recover from, or offset against, property of the debtor of the kind specified in section 541(a)(2) of this title that is acquired after the commencement of the case, on account of any allowable community claim, except a community claim that is excepted from discharge under section 523 or 1328(c)(1) of this title, or that would be so excepted, determined in accordance with the provisions of sections 523(c) and 523(d) of this title, in a case concerning the debtor's spouse commenced on the date of the filing of the petition in the case concerning the debtor, whether or not discharge of the debt based on such community claim is waived.

Post, p. 2650.

(b) Subsection (a)(3) of this section does not apply if—

(1)(A) the debtor's spouse is a debtor in a case under this title, or a bankrupt or a debtor in a case under the Bankruptcy Act, commenced within six years of the date of the filing of the petition in the case concerning the debtor; and

11 USC prec. 1.

(B) the court does not grant the debtor's spouse a discharge in such case concerning the debtor's spouse; or

(2)(A) the court would not grant the debtor's spouse a discharge in a case under chapter 7 of this title concerning such spouse commenced on the date of the filing of the petition in the case concerning the debtor; and

(B) a determination that the court would not so grant such discharge is made by the bankruptcy court within the time and in the manner provided for a determination under section 727 of this title of whether a debtor is granted a discharge.

(c) An agreement between a holder of a claim and the debtor, the consideration for which, in whole or in part, is based on a debt that is dischargeable in a case under this title is enforceable only to any extent enforceable under applicable nonbankruptcy law, whether or not discharge of such debt is waived, only if—

(1) such agreement was made before the granting of the discharge under section 727, 1141, or 1328 of this title;

(2) the debtor has not rescinded such agreement within 30 days after such agreement becomes enforceable;

(3) the provisions of subsection (d) of this section have been complied with; and

(4) in a case concerning an individual, to the extent that such debt is a consumer debt that is not secured by real property of the debtor, the court approves such agreement as—

(A) (i) not imposing an undue hardship on the debtor or a dependent of the debtor; and

(ii) in the best interest of the debtor; or

(B) (i) entered into in good faith; and

(ii) in settlement of litigation under section 523 of this title, or providing for redemption under section 722 of this title.

(d) In a case concerning an individual, when the court has determined whether to grant or not to grant a discharge under section 727, 1141, or 1328 of this title, the court shall hold a hearing at which the debtor shall appear in person. At such hearing, the court shall inform the debtor that a discharge has been granted or the reason why a discharge has not been granted. If a discharge has been granted and if the debtor desires to make an agreement of the kind specified in subsection (c) of this section, then at such hearing the court shall— Hearing.

Post, pp. 2638, 2650.

(1) inform the debtor—

(A) that such an agreement is not required under this title, under nonbankruptcy law, or under any agreement not made in accordance with the provisions of subsection (c) of this section; and

(B) of the legal effect and consequences of—

(i) an agreement of the kind specified in subsection (c) of this section; and

(ii) a default under such an agreement;

(2) determine whether the agreement that the debtor desires to make complies with the requirements of subsection (c) (4) of this subsection, if the consideration for such agreement is based in whole or in part on a consumer debt that is not secured by real property of the debtor.

(e) Except as provided in subsection (a) (3) of this section, discharge of a debt of the debtor does not affect the liability of any other entity on, or the property of any other entity for, such debt.

§ 525. Protection against discriminatory treatment 11 USC 525.

Except as provided in Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499a–499s), the Packers and Stockyards Act, 1921 (7 U.S.C. 181–229), and section 1 of the Act entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1944, and for other purposes," approved July 12, 1943 (57 Stat. 422; 7 U.S.C. 204), a governmental unit may not deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, deny employment to, terminate the employment of, or discriminate with respect to employment against, a person that is or has been a debtor under this title or a bankrupt or a debtor under the Bankruptcy Act, or another person with whom such bankrupt or debtor has been associated, solely because such bankrupt or debtor is or has been a debtor under this title or a bankrupt or debtor under the Bankruptcy Act, has been insolvent before the commencement of the case under this title, or during the case but before the debtor is granted or denied a discharge, or has not paid a debt that is dischargeable in the case under this title or that was discharged under the Bankruptcy Act. 11 USC prec. 1.

SUBCHAPTER III—THE ESTATE

11 USC 541.

§ 541. Property of the estate

Ante, pp. 2558, 2559.

(a) The commencement of a case under under section 301, 302, or 303 of this title creates an estate. Such estate is comprised of all the following property, wherever located:

(1) Except as provided in subsections (b) and (c)(2) of this section, all legal or equitable interests of the debtor in property as of the commencement of the case.

(2) All interests of the debtor and the debtor's spouse in community property as of the commencement of the case that is—

(A) under the sole, equal, or joint management and control of the debtor; or

(B) liable for an allowable claim against the debtor, or for both an allowable claim against the debtor and an allowable claim against the debtor's spouse, to the extent that such interest is so liable.

(3) Any interest in property that the trustee recovers under section 543, 550, 553, or 723 of this title.

(4) Any interest in property preserved for the benefit of or ordered transferred to the estate under section 510(c) or 551 of this title.

(5) An interest in property that would have been property of the estate if such interest had been an interest of the debtor on the date of the filing of the petition, and that the debtor acquires or becomes entitled to acquire within 180 days after such date—

(A) by bequest, devise, or inheritance;

(B) as a result of a property settlement agreement with the debtor's spouse, or of an interlocutory or final divorce decree; or

(C) as a beneficiary of a life insurance policy or of a death benefit plan.

(6) Proceeds, product, offspring, rents, and profits of or from property of the estate, except such as are earnings from services performed by an individual debtor after the commencement of the case.

(7) Any interest in property that the estate acquires after the commencement of the case.

(b) Property of the estate does not include any power that the debtor may only exercise solely for the benefit of an entity other than the debtor.

(c)(1) Except as provided in paragraph (2) of this subsection, an interest of the debtor in property becomes property of the estate under subsection (a)(1), (a)(2), or (a)(5) of this section notwithstanding any provision—

(A) that restricts or conditions transfer of such interest by the debtor; or

(B) that is conditioned on the insolvency or financial condition of the debtor, on the commencement of a case under this title, or on the appointment of or the taking possession by a trustee in a case under this title or a custodian, and that effects or gives an option to effect a forfeiture, modification, or termination of the debtor's interest in property.

(2) A restriction on the transfer of a beneficial interest of the debtor in a trust that is enforceable under applicable nonbankruptcy law is enforceable in a case under this title.

(d) Property in which the debtor holds, as of the commencement of the case, only legal title and not an equitable interest, such as a mortgage secured by real property, or an interest in such a mortgage, sold by the debtor but as to which the debtor retains legal title to service or supervise the servicing of such mortgage or interest, becomes property of the estate under subsection (a) of this section only to the extent of the debtor's legal title to such property, but not to the extent of any equitable interest in such property that the debtor does not hold.

(e) The estate shall have the benefit of any defense available to the debtor as against an entity other than the estate, including statutes of limitation, statutes of frauds, usury, and other personal defenses. A waiver of any such defense by the debtor after the commencement of the case does not bind the estate.

§ 542. Turnover of property to the estate 11 USC 542.

(a) Except as provided in subsection (c) or (d) of this section, an entity, other than a custodian, in possession, custody, or control, during the case, of property that the trustee may use, sell, or lease under section 363 of this title, or that the debtor may exempt under section 522 of this title, shall deliver to the trustee, and account for, such property or the value of such property, unless such property is of inconsequential value or benefit to the estate. *Ante*, p. 2572.

(b) Except as provided in subsection (c) or (d) of this section, an entity that owes a debt that is property of the estate and that is matured, payable on demand, or payable on order, shall pay such debt to, or on the order of, the trustee, except to the extent that such debt may be offset under section 553 of this title against a claim against the debtor.

(c) Except as provided in section 362(a)(7) of this title, an entity that has neither actual notice nor actual knowledge of the commencement of the case concerning the debtor may transfer property of the estate, or pay a debt owing to the debtor, in good faith and other than in the manner specified in subsection (d) of this section, to an entity other than the trustee, with the same effect as to the entity making such transfer or payment as if the case under this title concerning the debtor had not been commenced. *Ante*, p. 2570.

(d) A life insurance company may transfer property of the estate or property of the debtor to such company in good faith, with the same effect with respect to such company as if the case under this title concerning the debtor had not been commenced, if such transfer is to pay a premium or to carry out a nonforfeiture insurance option, and is required to be made automatically, under a life insurance contract with such company that was entered into before the date of the filing of the petition and that is property of the estate.

(e) Subject to any applicable privilege, after notice and a hearing, the court may order an attorney, accountant, or other person that holds recorded information, including books, documents, records, and papers, relating to the debtor's property or financial affairs, to disclose such recorded information to the trustee.

§ 543. Turnover of property by a custodian 11 USC 543.

(a) A custodian with knowledge of the commencement of a case under this title concerning the debtor may not make any disbursement from, or take any action in the administration of, property of the debtor, proceeds of such property, or property of the estate, in the possession, custody, or control of such custodian, except such action as is necessary to preserve such property.

(b) A custodian shall—

(1) deliver to the trustee any property of the debtor transferred to such custodian, or proceeds of such property, that is in such custodian's possession, custody, or control on the date that such custodian acquires knowledge of the commencement of the case; and

(2) file an accounting of any property of the debtor, or proceeds of such property, that, at any time, came into the possession, custody, or control of such custodian.

Notice and hearing.

(c) The court, after notice and a hearing, shall—

(1) protect all entities to which a custodian has become obligated with respect to such property;

(2) provide for the payment of reasonable compensation for services rendered and costs and expenses incurred by such custodian; and

(3) surcharge such custodian, other than an assignee for the benefit of the debtor's creditors that was appointed or took possession more than 120 days before the date of the filing of the petition, for any improper or excessive disbursement, other than a disbursement that has been made in accordance with applicable law or approved, after notice and a hearing, by a court of competent jurisdiction before the commencement of the case under this title.

(d) The bankruptcy court may, after notice and a hearing, excuse compliance with subsection (a), (b), or (c) of this section, if the interests of creditors, and, if the debtor is not insolvent, of equity security holders, would be better served by permitting a custodian to continue in possession, custody, or control of such property.

11 USC 544.

§ 544. Trustee as lien creditor and as successor to certain creditors and purchasers

(a) The trustee shall have, as of the commencement of the case, and without regard to any knowledge of the trustee or of any creditor, the rights and powers of, or may avoid any transfer of property of the debtor or any obligation incurred by the debtor that is voidable by—

(1) a creditor that extends credit to the debtor at the time of the commencement of the case, and that obtains, at such time and with respect to such credit, a judicial lien on all property on which a creditor on a simple contract could have obtained a judicial lien, whether or not such a creditor exists;

(2) a creditor that extends credit to the debtor at the time of the commencement of the case, and obtains, at such time and with respect to such credit, an execution against the debtor that is returned unsatisfied at such time, whether or not such a creditor exists; and

(3) a bona fide purchaser of real property from the debtor, against whom applicable law permits such transfer to be perfected, that obtains the status of a bona fide purchaser at the time of the commencement of the case, whether or not such a purchaser exists.

(b) The trustee may avoid any transfer of an interest of the debtor in property or any obligation incurred by the debtor that is voidable under applicable law by a creditor holding an unsecured claim that is allowable under section 502 of this title or that is not allowable only under section 502(e) of this title.

§ 545. Statutory liens 11 USC 545.

The trustee may avoid the fixing of a statutory lien on property of the debtor to the extent that such lien—

(1) first becomes effective against the debtor—

(A) when a case under this title concerning the debtor is is commenced;

(B) when an insolvency proceeding other than under this title concerning the debtor is commenced;

(C) when a custodian is apponted or takes possession;

(D) when the debtor becomes insolvent;

(E) when the debtor's financial condition fails to meet a specified standard; or

(F) at the time of an execution against property of the debtor levied at the instance of an entity other than the holder of such statutory lien;

(2) is not perfected or enforceable on the date of the filing of the petition against a bona fide purchaser that purchases such property on the date of the filing of the petition, whether or not such a purchaser exists;

(3) is for rent; or

(4) is a lien of distress for rent.

§ 546. Limitations on avoiding powers 11 USC 546.

(a) An action or proceeding under section 544, 545, 547, 548, or 553 of this title may not be commenced after the earlier of—

(1) two years after the appointment of a trustee under section 702, 1104, 1163, or 1302 of this title; and

(2) the time the case is closed or dismissed. *Post*, pp. 2627, 2641, 2645.

(b) The rights and powers of the trustee under section 544, 545, or 549 of this title are subject to any generally applicable law that permits perfection of an interest in property to be effective against an entity that acquires rights in such property before the date of such perfection. If such law requires seizure of such property or commencement of an action to accomplish such perfection, and such property has not been seized or such action has not been commenced before the date of the filing of the petition, such interest in such property shall be perfected by notice within the time fixed by such law for such seizure or commencement.

(c) The rights and powers of the trustee under sections 544(a), 545, 547, and 549 of this title are subject to any statutory right or common-law right of a seller, in the ordinary course of such seller's business, of goods to the debtor to reclaim such goods if the debtor has received such goods while insolvent, but—

(1) such a seller may not reclaim any such goods unless such seller demands in writing reclamation of such goods before ten days after receipt of such goods by the debtor; and

(2) the court may deny reclamation to a seller with such a right of reclamation that has made such a demand only if court—

(A) grants the claim of such a seller priority as an administrative expense; or

(B) secures such claim by a lien.

§ 547. Preferences 11 USC 547.

(a) In this section— Definitions.

(1) "inventory" means personal property leased or furnished, held for sale or lease, or to be furnished under a contract for

service, raw materials, work in process, or materials used or consumed in a business, including farm products such as crops or livestock, held for sale or lease;

(2) "new value" means money or money's worth in goods, services, or new credit, or release by a transferee of property previously transferred to such transferee in a transaction that is neither void nor voidable by the debtor or the trustee under any applicable law, but does not include an obligation substituted for an existing obligation;

(3) "receivable" means right to payment, whether or not such right has been earned by performance; and

(4) a debt for a tax is incurred on the day when such tax is last payable, including any extension, without penalty.

(b) Except as provided in subsection (c) of this section, the trustee may avoid any transfer of property of the debtor—

(1) to or for the benefit of a creditor;

(2) for or on account of an antecedent debt owed by the debtor before such transfer was made;

(3) made while the debtor was insolvent;

(4) made—

(A) on or within 90 days before the date of the filing of the petition; or

(B) between 90 days and one year before the date of the filing of the petition, if such creditor, at the time of such transfer—

(i) was an insider; and

(ii) had reasonable cause to believe the debtor was insolvent at the time of such transfer; and

(5) that enables such creditor to receive more than such creditor would receive if—

(A) the case were a case under chapter 7 of this title;

(B) the transfer had not been made; and

(C) such creditor received payment of such debt to the extent provided by the provisions of this title.

(c) The trustee may not avoid under this section a transfer—

(1) to the extent that such transfer was—

(A) intended by the debtor and the creditor to or for whose benefit such transfer was made to be a contemporaneous exchange for new value given to the debtor; and

(B) in fact a substantially contemporaneous exchange;

(2) to the extent that such transfer was—

(A) in payment of a debt incurred in the ordinary course of business or financial affairs of the debtor and the transferee;

(B) made not later than 45 days after such debt was incurred;

(C) made in the ordinary course of business or financial affairs of the debtor and the transferee; and

(D) made according to ordinary business terms;

(3) of a security interest in property acquired by the debtor—

(A) to the extent such security interest secures new value that was—

(i) given at or after the signing of a security agreement that contains a description of such property as collateral;

(ii) given by or on behalf of the secured party under such agreement;

(iii) given to enable the debtor to acquire such property; and

(iv) in fact used by the debtor to acquire such property; and

(B) that is perfected before 10 days after such security interest attaches;

(4) to or for the benefit of a creditor, to the extent that, after such transfer, such creditor gave new value to or for the benefit of the debtor—

(A) not secured by an otherwise unavoidable security interest; and

(B) on account of which new value the debtor did not make an otherwise unavoidable transfer to or for the benefit of such creditor;

(5) of a perfected security interest in inventory or a receivable or the proceeds of either, except to the extent that the aggregate of all such transfers to the transferee caused a reduction, as of the date of the filing of the petition and to the prejudice of other creditors holding unsecured claims, of any amount by which the debt secured by such security interest exceeded the value of all security interest for such debt on the later of—

(A) (i) with respect to a transfer to which subsection (b) (4) (A) of this section applies, 90 days before the date of the filing of the petition; or

(ii) with respect to a transfer to which subsection (b) (4) (B) of this section applies, one year before the date of the filing of the petition; and

(B) the date on which new value was first given under the security agreement creating such security interest; or

(6) that is the fixing of a statutory lien that is not avoidable under section 545 of this title.

(d) A trustee may avoid a transfer of property of the debtor transferred to secure reimbursement of a surety that furnished a bond or other obligation to dissolve a judicial lien that would have been avoidable by the trustee under subsection (b) of this section. The liability of such surety under such bond or obligation shall be discharged to the extent of the value of such property recovered by the trustee or the amount paid to the trustee.

(e) (1) For the purposes of this section—

(A) a transfer of real property other than fixtures, but including the interest of a seller or purchaser under a contract for the sale of real property, is perfected when a bona fide purchaser of such property from the debtor against whom applicable law permits such transfer to be perfected cannot acquire an interest that is superior to the interest of the transferee; and

(B) a transfer of a fixture or property other than real property is perfected when a creditor on a simple contract cannot acquire a judicial lien that is superior to the interest of the transferee.

(2) For the purposes of this section, except as provided in paragraph (3) of this subsection, a transfer is made—

(A) at the time such transfer takes effect between the transferor and the transferee, if such transfer is perfected at, or within 10 days after, such time;

(B) at the time such transfer is perfected, if such transfer is perfected after such 10 days; or

(C) immediately before the date of the filing of the petition, if such transfer is not perfected at the later of—

(i) the commencement of the case; and

(ii) 10 days after such transfer takes effect between the transferor and the transferee.

(3) For the purposes of this section, a transfer is not made until the debtor has acquired rights in the property transferred.

(f) For the purposes of this section, the debtor is presumed to have been insolvent on and during the 90 days immediately preceding the date of the filing of the petition.

11 USC 548.

§ 548. Fraudulent transfers and obligations

(a) The trustee may avoid any transfer of an interest of the debtor in property, or any obligation incurred by the debtor, that was made or incurred on or within one year before the date of the filing of the petition, if the debtor—

(1) made such transfer or incurred such obligation with actual intent to hinder, delay, or defraud any entity to which the debtor was or became, on or after the date that such transfer occurred or such obligation was incurred, indebted; or

(2)(A) received less than a reasonably equivalent value in exchange for such transfer or obligation; and

(B)(i) was insolvent on the date that such transfer was made or such obligation was incurred, or became insolvent as a result of such transfer or obligation;

(ii) was engaged in business, or was about to engage in business or a transaction, for which any property remaining with the debtor was an unreasonably small capital; or

(iii) intended to incur, or believed that the debtor would incur, debts that would be beyond the debtor's ability to pay as such debts matured.

(b) The trustee of a partnership debtor may avoid any transfer of an interest of the debtor in property, or any obligation incurred by the debtor, that was made or incurred on or within one year before the date of the filing of the petition, to a general partner in the debtor, if the debtor was insolvent on the date such transfer was made or such obligation was incurred, or became insolvent as a result of such transfer or obligation.

(c) Except to the extent that a transfer or obligation voidable under this section is voidable under section 544, 545, or 547 of this title, a transferee or obligee of such a transfer or obligation that takes for value and in good faith has a lien on any interest transferred, may retain any lien transferred, or may enforce any obligation incurred, as the case may be, to the extent that such transferee or obligee gave value to the debtor in exchange for such transfer or obligation.

(d)(1) For the purposes of this section, a transfer is made when such transfer becomes so far perfected that a bona fide purchaser from the debtor against whom such transfer could have been perfected cannot acquire an interest in the property transferred that is superior to the interest in such property of the transferee, but if such transfer is not so perfected before the commencement of the case, such transfer occurs immediately before the date of the filing of the petition.

(2) In this section—

"Value".

(A) "value" means property, or satisfaction or securing of a present or antecedent debt of the debtor, but does not include an unperformed promise to furnish support to the debtor or to a relative of the debtor; and

(B) a commodity broker or forward contract merchant that receives a margin payment, as defined in section 761(15) of this title, takes for value.

§ 549. Postpetition transactions 11 USC 549.

(a) Except as provided in subsection (b) and (c) of this section, the trustee may avoid a transfer of property of the estate—

(1) that occurs after the commencement of the case; and

(2)(A) that is authorized under section 303(f) or 542(c) of this title; or *Ante*, p. 2559.

(B) that is not authorized under this title or by the court.

(b) In an involuntary case, a transfer that occurs after the commencement of such case but before the order for relief is valid against the trustee to the extent of any value, including services, but not including satisfaction or securing of a debt that arose before the commencement of the case, given after the commencement of the case in exchange for such transfer, notwithstanding any notice or knowledge of the case that the transferee has.

(c) The trustee may not avoid under subsection (a) of this section a transfer, to a good faith purchaser without knowledge of the commencement of the case and for present fair equivalent value or to a purchaser at a judicial sale, of real property located other than in the county in which the case is commenced, unless a copy of the petition was filed in the office where conveyances of real property in such county are recorded before such transfer was so far perfected that a bona fide purchaser of such property against whom applicable law permits such transfer to be perfected cannot acquire an interest that is superior to the interest of such good faith or judicial sale purchaser. A good faith purchaser, without knowledge of the commencement of the case and for less than present fair equivalent value, of real property located other than in the county in which the case is commenced, under a transfer that the trustee may avoid under this section, has a lien on the property transferred to the extent of any present value given, unless a copy of the petition was so filed before such transfer was so perfected.

(d) An action or proceeding under this section may not be commenced after the earlier of—

(1) two years after the date of the transfer sought to be avoided; and

(2) the time the case is closed or dismissed.

§ 550. Liability of transferee of avoided transfer 11 USC 550.

(a) Except as otherwise provided in this section, to the extent that a transfer is avoided under section 544, 545, 547, 548, 549, or 724(a) of this title, the trustee may recover, for the benefit of the estate, the property transferred, or, if the court so orders, the value of such property, from—

(1) the initial transferee of such transfer or the entity for whose benefit such transfer was made; or

(2) any immediate or mediate transferee of such initial transferee.

(b) The trustee may not recover under section (a)(2) of this section from—

(1) a transferee that takes for value, including satisfaction or securing of a present or antecedent debt, in good faith, and without knowledge of the voidability of the transfer avoided; or

(2) any immediate or mediate good faith transferee of such transferee.

(c) The trustee is entitled to only a single satisfaction under subsection (a) of this section.

(d)(1) A good faith transferee from whom the trustee may recover under subsection (a) of this section has a lien on the property recovered to secure the lesser of—

(A) the cost, to such transferee, of any improvement made after the transfer, less the amount of any profit realized by such transferee from such property; and

(B) any increase in value as a result of such improvement, of the property transferred.

"Improvement". (2) In this subsection, "improvement" includes—

(A) physical additions or changes to the property transferred;

(B) repairs to such property;

(C) payment of any tax on such property;

(D) payment of any debt secured by a lien on such property;

(E) discharge of any lien against such property that is superior or equal to the rights of the trustee; and

(F) preservation of such property.

(e) An action or proceeding under this section may not be commenced after the earlier of—

(1) one year after the avoidance of the transfer on account of which recovery under this section is sought; and

(2) the time the case is closed or dismissed.

11 USC 551. **§ 551. Automatic preservation of avoided transfer**

Any transfer avoided under section 522, 544, 545, 547, 548, 549, or 724(a) of this title, or any lien void under section 506(d) of this title, is preserved for the benefit of the estate but only with respect to property of the estate.

11 USC 552. **§ 552. Postpetition effect of security interest**

(a) Except as provided in subsection (b) of this section, property acquired by the estate or by the debtor after the commencement of the case is not subject to any lien resulting from any security agreement entered into by the debtor before the commencement of the case.

Ante, p. 2572. (b) Except as provided in sections 363, 506(c), 544, 545, 547, and 548 of this title, if the debtor and a secured party enter into a security agreement before the commencement of the case and if the security interest created by such security agreement extends to property of the debtor acquired before the commencement of the case and to proceeds, product, offspring, rents, or profits of such property, then such security interest extends to such proceeds, product, offspring, rents, or profits acquired by the estate after the commencement of the case to the extent provided by such security agreement and by applicable nonbankruptcy law, except to the extent that the court, after notice and a hearing and based on the equities of the case, orders otherwise.

11 USC 553. **§ 553. Setoff**

Ante, p. 2570. (a) Except as otherwise provided in this section and in sections 362 and 363 of this title, this title does not affect any right of a creditor to offset a mutual debt owing by such creditor to the debtor that arose before the commencement of the case under this title against a claim of such creditor against the debtor that arose before the commencement of the case, except to the extent that—

Ante, p. 2579. (1) the claim of such creditor against the debtor is disallowed other than under section 502(b)(3) of this title;

(2) such claim was transferred, by an entity other than the debtor, to such creditor—

(A) after the commencement of the case; or

(B) (i) after 90 days before the date of the filing of the petition; and

(ii) while the debtor was insolvent; or

(3) the debt owed to the debtor by such creditor was incurred by such creditor—

(A) after 90 days before the date of the filing of the petition;

(B) while the debtor was insolvent; and

(C) for the purpose of obtaining a right of setoff against the debtor.

(b) (1) Except with respect to a setoff of a kind described in section 362(b)(6) or 365(h)(1) of this title, if a creditor offsets a mutual debt owing to the debtor against a claim against the debtor on or within 90 days before the date of the filing of the petition, then the trustee may recover from such creditor the amount so offset to the extent that any insufficiency on the date of such setoff is less than the insufficiency on the later of— *Ante*, pp. 2570, 2574.

(A) 90 days before the date of the filing of the petition; and

(B) the first date during the 90 days immediately preceding the date of the filing of the petition on which there is an insufficiency.

(2) In this subsection, "insufficiency" means amount, if any, by which a claim against the debtor exceeds a mutual debt owing to the debtor by the holder of such claim. "Insufficiency".

(c) For the purposes of this section, the debtor is presumed to have been insolvent on and during the 90 days immediately preceding the date of the filing of the petition.

§ 554. Abandonment of property of the estate 11 USC 554.

(a) After notice and a hearing, the trustee may abandon any property of the estate that is burdensome to the estate or that is of inconsequential value to the estate.

(b) On request of a party in interest and after notice and a hearing, the court may order the trustee to abandon any property of the estate that is burdensome to the estate or that is of inconsequential value to the estate.

(c) Unless the court orders otherwise, any property that is scheduled under section 521(1) of this title and that is not administered before a case is closed under section 350 of this title is deemed abandoned. *Ante*, p. 2569.

(d) Unless the court orders otherwise, property of the estate that is not abandoned under section (a) or (b) of this section and that is not administered in the case remains property of the estate.

CHAPTER 7—LIQUIDATION

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SUBCHAPTER I—OFFICERS AND ADMINISTRATION

11 USC 701.

§ 701. Interim trustee

(a) Promptly after the order for relief under this chapter, the court shall appoint one disinterested person that is a member of the panel of private trustees established under section 604(f) of title 28 or that was serving as trustee in the case immediately before the order for relief under this chapter to serve as interim trustee in the case.

(b) The service of an interim trustee under this section terminates when a trustee elected or designated under section 702 of this title to serve as trustee in the case qualifies under section 322 of this title.

Ante, p. 2562.

(c) An interim trustee serving under this section is a trustee in a case under this title.

11 USC 702.

§ 702. Election of trustee

(a) A creditor may vote for a candidate for trustee only if such creditor—

(1) holds an allowable, undisputed, fixed, liquidated, unsecured claim of a kind entitled to distribution under section 726(a)(2), 726(a)(3), or 726(a)(4) of this title;

(2) does not have an interest materially adverse, other than an equity interest that is not substantial in relation to such creditor's interest as a creditor, to the interest of creditors entitled to such distribution; and

(3) is not an insider.

Ante, p. 2564.

(b) At the meeting of creditors under section 341 of this title, creditors may elect one person to serve as trustee in the case if election

of a trustee is requested by creditors that may vote under subsection (a) of this section, and that hold at least 20 percent in amount of the claims specified in subsection (a)(1) of this section that are held by creditors that may vote under subsection (a) of this section.

(c) A candidate for trustee is elected trustee if—

(1) creditors holding at least 20 percent in amount of the claims specified in subsection (a)(1) of this section that are held by creditors that may vote under subsection (a) of this section vote; and

(2) such candidate receives the votes of creditors holding a majority in amount of claims specified in subsection (a)(1) of this section that are held by creditors that vote for trustee.

(d) If a trustee is not elected under subsection (c) of this section, then the interim trustee shall serve as trustee in the case.

§ 703. Successor trustee 11 USC 703.

(a) If a trustee dies or resigns during a case, fails to qualify under section 322 of this title, or is removed under section 324 of this title, *Ante*, p. 2562. creditors may elect, in the manner specified in section 702 of this title, a person to fill the vacancy in the office of trustee.

(b) Pending election of a trustee under subsection (a) of this section, if necessary to preserve or prevent loss to the estate, the court may appoint an interim trustee in the manner specified in section 701(a) of this title. Sections 701(b) and 701(c) of this title apply to such interim trustee.

(c) If creditors do not elect a successor trustee under subsection (a) of this section, or if a trustee is needed in a case reopened under section 350 of this title, then the court shall appoint one disinterested *Ante*, p. 2569. person that is a member of the panel of private trustees established under section 604(f) of title 28 to serve as trustee in the case.

§ 704. Duties of trustee 11 USC 704.

The trustee shall—

(1) collect and reduce to money the property of the estate for which such trustee serves, and close up such estate as expeditiously as is compatible with the best interests of parties in interest;

(2) be accountable for all property received;

(3) investigate the financial affairs of the debtor;

(4) if a purpose would be served, examine proofs of claims and object to the allowance of any claim that is improper;

(5) if advisable, oppose the discharge of the debtor;

(6) unless the court orders otherwise, furnish such information concerning the estate and the estate's administration as is requested by a party in interest;

(7) if the business of the debtor is authorized to be operated, file with the court and with any governmental unit charged with responsibility for collection or determination of any tax arising out of such operation, periodic reports and summaries of the operation of such business, including a statement of receipts and disbursements, and such other information as the court requires; and

(8) make a final report and file a final account of the administration of the estate with the court.

§ 705. Creditors' committee 11 USC 705.

(a) At the meeting under section 341(a) of this title, creditors that *Ante*, p. 2564. may vote for a trustee under section 702(a) of this title may elect a

committee of not fewer than three, and not more than eleven, creditors, each of whom holds an allowable unsecured claim of a kind entitled to distribution under section 726(a)(2) of this title.

(b) A committee elected under subsection (a) of this section may consult with the trustee in connection with the administration of the estate, make recommendations to the trustee respecting the performance of the trustee's duties, and submit to the court any question affecting the administration of the estate.

11 USC 706.

§ 706. Conversion

(a) The debtor may convert a case under this chapter to a case under chapter 11 or 13 of this title at any time, if the case has not been converted under section 1112 or 1307 of this title. Any waiver of the right to convert a case under this subsection is unenforceable.

Post, pp. 2626, 2645.

Post, pp. 2630, 2647.

(b) On request of a party in interest and after notice and a hearing, the court may convert a case under this chapter to a case under chapter 11 of this title at any time.

(c) The court may not convert a case under this chapter to a case under chapter 13 of this title unless the debtor requests such conversion.

(d) Notwithstanding any other provision of this section, a case may not be converted to a case under another chapter of this title unless the debtor may be a debtor under such chapter.

11 USC 707.

§ 707. Dismissal

The court may dismiss a case under this chapter only after notice and a hearing and only for cause, including—

(1) unreasonable delay by the debtor that is prejudicial to creditors; and

(2) nonpayment of any fees and charges required under chapter 123 of title 28.

28 USC 1911 *et seq.*

SUBCHAPTER II—COLLECTION, LIQUIDATION, AND DISTRIBUTION OF THE ESTATE

11 USC 721.

§ 721. Authorization to operate business

The court may authorize the trustee to operate the business of the debtor for a limited period, if such operation is in the best interest of the estate and consistent with the orderly liquidation of the estate.

11 USC 722.

§ 722. Redemption

An individual debtor may, whether or not the debtor has waived the right to redeem under this section, redeem tangible personal property intended primarily for personal, family, or household use, from a lien securing a dischargeable consumer debt, if such property is exempted under section 522 of this title or has been abandoned under section 554 of this title, by paying the holder of such lien the amount of the allowed secured claim of such holder that is secured by such lien.

Ante, p. 2586.

11 USC 723.

§ 723. Rights of partnership trustee against general partners

(a) If there is a deficiency of property of the estate to pay in full all claims allowed in a case under this title concerning a partnership, then each general partner in such partnership is liable to the trustee for the full amount of such deficiency.

(b) To the extent practicable, the trustee shall first seek recovery of such deficiency from any general partner in such partnership that is not a debtor in a case under this title. Pending determination of such deficiency, the court may order any such partner to provide the estate

with indemnity for, or assurance of payment of, any deficiency recoverable from such partner, or not to dispose of property.

(c) Notwithstanding section 728(c) of this title, the trustee has a claim against the estate of each general partner in such partnership that is a debtor in a case under this title for the full amount of all claims of creditors allowed in the case concerning such partnership. Notwithstanding section 502 of this title, there shall not be allowed in such case a claim against such partner on which both such partner and such partnership are liable, except to any extent that such claim is secured only by property of such partner and not be property of such partnership. The claim of the trustee under this subsection is entitled to distribution in such case under section 726(a) of this title the same as any other claim of the kind specified in such section. *Ante*, p. 2579.

(d) If the aggregate that the trustee recovers from the estates of general partners under subsection (c) of this section is greater than any deficiency not recovered under subsection (b) of this section, the court, after notice and a hearing, shall determine an equitable distribution of the surplus so recovered, and the trustee shall distribute such surplus to the estates of the general partners in such partnership according to such determination.

§ 724. Treatment of certain liens 11 USC 724.

(a) The trustee may avoid a lien that secures a claim of a kind specified in section 726(a)(4) of this title.

(b) Property in which the estate has an interest and that is subject to a lien that is not avoidable under this title and that secures an allowed claim for taxes, or proceeds of such property, shall be distributed—

(1) first, to any holder of an allowed claim secured by a lien on such property that is not avoidable under this title and that is senior to such tax lien;

(2) second, to claims specified in sections 507(a)(1), 507(a)(2), 507(a)(3), 507(a)(4), and 507(a)(5) of this title, to the extent of the amount of such allowed tax claim that is secured by such tax lien; *Ante*, p. 2583.

(3) third, to the holder of such tax lien, to any extent that such holder's allowed claim that is secured by such tax lien exceeds any amount distributed under paragraph (2) of this subsection;

(4) fourth, to any holder of an allowed claim secured by a lien on such property that is not avoidable under this title and that is junior to such tax lien;

(5) fifth, to the holder of such tax lien, to the extent that such holder's allowed claim secured by such tax lien is not paid under paragraph (3) of this subsection; and

(6) sixth, to the estate.

(c) If more than one creditor is entitled to distribution under a particular paragraph of subsection (b) of this section, distribution to such creditors under such paragraph shall be in the same order as distribution to such creditors would have been other than under this section.

(d) A statutory lien whose priority is determined in the same manner as the priority of a tax lien under section 6323 of the Internal Revenue Code of 1954 (26 U.S.C. 6323) shall be treated under subsection (b) of this section the same as a tax lien.

§ 725. Disposition of certain property 11 USC 725.

After the commencement of a case under this chapter, but before

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final distribution under section 726 of this title, the trustee, after notice and a hearing, shall dispose of any property in which an entity other than the estate has an interest, such as a lien, and that has not been disposed of under another section of this title.

11 USC 726.

§ 726. Distribution of property of the estate

Ante, p. 2586.

(a) Except as provided in section 510 of this title, property of the estate shall be distributed—

Ante, p. 2583.

(1) first, in payment of claims of the kind specified in, and in the order specified in, section 507 of this title;

(2) second, in payment of any allowed unsecured claim, other than a claim of a kind specified in paragraph (1), (3), or (4) of this subsection, proof of which is—

Ante, p. 2578.

(A) timely filed under section 501(a) of this title;

(B) timely filed under section 501(b) or 501(c) of this title; or

(C) tardily filed under section 501(a) of this title, if—

(i) the creditor that holds such claim did not have notice or actual knowledge of the case in time for timely filing of a proof of such claim under section 501(a) of this title; and

(ii) proof of such claim is filed in time to permit payment of such claim;

(3) third, in payment of any allowed unsecured claim proof of which is tardily filed under section 501(a) of this title, other than a claim of the kind specified in paragraph (2)(C) of this subsection;

(4) fourth, in payment of any allowed claim, whether secured or unsecured, for any fine, penalty, or forfeiture, or for multiple, exemplary, or punitive damages, arising before the earlier of the order for relief or the appointment of a trustee, to the extent that such fine, penalty, forfeiture, or damages are not compensation for actual pecuniary loss suffered by the holder of such claim;

(5) fifth, in payment of interest at the legal rate from the date of the filing of the petition, on any claim paid under paragraph (1), (2), (3), or (4) of this subsection; and

(6) sixth, to the debtor.

(b) Payment on claims of a kind specified in paragraph (1), (2), (3), (4), (5), or (6) of section 507(a) of this title, or in paragraph (2), (3), (4), or (5) of subsection (a) of this section, shall be made pro rata among claims of the kind specified in a particular paragraph, except that in a case that has been converted to this chapter under section 1112 or 1307 of this title, administrative expenses incurred under this chapter after such conversion have priority over administrative expenses incurred under any other chapter of this title or under this chapter before such conversion and over any expenses of a custodian superseded under section 543 of this title.

Post, pp. 2630, 2647.

(c) Notwithstanding subsections (a) and (b) of this section, if there is property of the kind specified in section 541(a)(2) of this title, or proceeds of such property, in the estate, such property or proceeds shall be segregated from other property of the estate, and such property or proceeds and other property of the estate shall be distributed as follows:

(1) Administrative expenses shall be paid either from property of the kind specified in section 541(a)(2) of this title, or from other property of the estate, as the interest of justice requires.

(2) Claims other than for administrative expenses shall be paid

in the order specified in subsection (a) of this section, and, with respect to claims of a kind specified in a particular paragraph of section 507 of this title or subsection (a) of this section, in the following order and manner:

(A) First, community claims against the debtor or the debtor's spouse shall be paid from property of the kind specified in section 541(a)(2) of this title, except to the extent that such property is solely liable for debts of the debtor.

(B) Second, to the extent that community claims against the debtor are not paid under subparagraph (A) of this paragraph, such community claims shall be paid from property of the kind specified in section 541(a)(2) of this title that is solely liable for debts of the debtor.

(C) Third, to the extent that all claims against the debtor including community claims against the debtor are not paid under subparagraph (A) or (B) of this paragraph such claims shall be paid from property of the estate other than property of the kind specified in section 541(a)(2) of this title.

(D) Fourth, to the extent that community claims against the debtor or the debtor's spouse are not paid under subparagraph (A), (B), or (C) of this paragraph, such claims shall be paid from all remaining property of the estate.

§ 727. Discharge 11 USC 727.

(a) The court shall grant the debtor a discharge, unless—

(1) the debtor is not an individual;

(2) the debtor, with intent to hinder, delay, or defraud a creditor or an officer of the estate charged with custody of property under this title, has transferred, removed, destroyed, mutilated, or concealed, or has permitted to be transferred, removed, destroyed, mutilated, or concealed—

(A) property of the debtor, within one year before the date of the filing of the petition; or

(B) property of the estate, after the date of the filing of the petition;

(3) the debtor has concealed, destroyed, mutilated, falsified, or failed to keep or preserve any recorded information, including books, documents, records, and papers, from which the debtor's financial condition or business transactions might be ascertained, unless such act or failure to act was justified under all of the circumstances of the case;

(4) the debtor knowingly and fraudulently, in or in connection with the case—

(A) made a false oath or account;

(B) presented or used a false claim;

(C) gave, offered, received, or attempted to obtain money, property, or advantage, or a promise of money, property, or advantage, for acting or forbearing to act; or

(D) withheld from an officer of the estate entitled to possession under this title, any recorded information, including books, documents, records, and papers, relating to the debtor's property or financial affairs;

(5) the debtor has failed to explain satisfactorily, before determination of denial of discharge under this paragraph, any loss of assets or deficiency of assets to meet the debtor's liabilities;

(6) the debtor has refused, in the case—

(A) to obey any lawful order of the court, other than an order to respond to a material question or to testify;

(B) on the ground of privilege against self-incrimination, to respond to a material question approved by the court or to testify, after the debtor has been granted immunity with respect to the matter concerning which such privilege was invoked; or

(C) on a ground other than the property invoked privilege against self-incrimination, to respond to a material question approved by the court or to testify;

(7) the debtor has committed any act specified in paragraph (2), (3), (4), (5), or (6) of this subsection, on or within one year before the date of the filing of the petition, or during the case, in connection with another case concerning an insider;

(8) the debtor has been granted a discharge under this section, under section 1141 of this title, or under section 14, 371 or 476 of the Bankruptcy Act, in a case commenced within six years before the date of the filing of the petition;

Post, p. 2638.

11 USC 32, 771, 876.

(9) the debtor has been granted a discharge under section 1328 of this title, or under section 660 or 661 of the Bankruptcy Act, in a case commenced within six years before the date of the filing of the petition, unless payments under the plan in such case totaled at least—

11 USC 1060, 1061.

(A) 100 percent of the allowed unsecured claims in such case; or

(B) (i) 70 percent of such claims; and

(ii) the plan was proposed by the debtor in good faith, and was the debtor's best effort; or

(10) the court approves a written waiver of discharge executed by the debtor after the order for relief under this chapter.

Ante, p. 2590.

(b) Except as provided in section 523 of this title, a discharge under subsection (a) of this section discharges the debtor from all debts that arose before the date of the order for relief under this chapter, and any liability on a claim that is determined under section 502 of this title as if such claim had arisen before the commencement of the case, whether or not a proof of claim based on any such debt or liability is filed under section 501 of this title, and whether or not a claim based on any such debt or liability is allowed under section 502 of this title.

Ante, p. 2579.

Ante, p. 2578.

(c) (1) The trustee or a creditor may object to discharge under subsection (a) of this section.

(2) On request of a party in interest, the court may order the trustee to examine the acts and conduct of the debtor to determine whether a ground exists for denial of discharge.

(d) On request of the trustee or a creditor, and after notice and a hearing, the court shall revoke a discharge granted under subsection (a) of this section if—

(1) such discharge was obtained through the fraud of the debtor, and the requesting party did not know of such fraud until after the granting of such discharge;

(2) the debtor acquired property that is property of the estate, or became entitled to acquire property that would be property of the estate, and knowingly and fraudulently failed to report the acquisition of, or entitlement to, such property, or to deliver or surrender such property to the trustee; or

(3) the debtor committed an act specified in subsection (a) (6) of this section.

(e) The trustee or a creditor may request a revocation of a discharge—

(1) under subsection (d)(1) of this section, within one year after such discharge was granted; or

(2) under subsection (d)(2) or (d)(3) of this section, before the later of—

(A) one year after the granting of such discharge; and

(B) the date the case is closed.

§ 728. Special tax provisions 11 USC 728.

(a) For the purposes of any State or local law imposing a tax on or measured by income, the taxable period of a debtor that is an individual shall terminate on the date of the order for relief under this chapter, unless the case was converted under section 1112 of this title.

(b) Notwithstanding any State or local law imposing a tax on or measured by income, the trustee shall make tax returns of income for the estate of an individual debtor in a case under this chapter or for a debtor that is a corporation in a case under this chapter only if such estate or corporation has net taxable income for the entire period after the order for relief under this chapter during which the case is pending. If such entity has such income, or if the debtor is a partnership, then the trustee shall make and file a return of income for each taxable period during which the case was pending after the order for relief under this chapter.

(c) If there are pending a case under this chapter concerning a partnership and a case under this chapter concerning a partner in such partnership, a governmental unit's claim for any unpaid liability of such partner for a State or local tax on or measured by income, to the extent that such liability arose from the inclusion in such partner's taxable income, of earnings of such partnership that were not withdrawn by such partner, is a claim only against such partnership.

(d) Notwithstanding section 541 of this title, if there are pending a case under this chapter concerning a partnership and a case under this chapter concerning a partner in such partnership, then any State or local tax refund or reduction of tax of such partner that would have otherwise been property of the estate of such partner under section 541 of this title—

(1) is property of the estate of such partnership to the extent that such tax refund or reduction of tax is fairly apportionable to losses sustained by such partnership and not reimbursed by such partner; and

(2) is property of the estate of such partner otherwise.

SUBCHAPTER III—STOCKBROKER LIQUIDATION

§ 741. Definitions for this subchapter 11 USC 741.

In this subchapter—

(1) "Commission" means Securities and Exchange Commission;

(2) "customer" includes—

(A) entity with whom the debtor deals as principal or agent and that holds a claim against the debtor on account of a security received, acquired, or held by the debtor in the ordinary course of business as a stockbroker from or for the securities account or accounts of such entity—

(i) for safekeeping;

(ii) with a view to sale;

(iii) to cover a consummated sale;
(iv) pursuant to a purchase;
(v) as collateral under a security agreement; or
(vi) for the purpose of effecting registration of transfer; and

(B) entity that holds a claim against the debtor arising out of—

(i) a sale or conversion of a security received, acquired, or held as specified in subparagraph (A) of this paragraph; or
(ii) a deposit of cash, a security, or other property with the debtor for the purpose of purchasing or selling a security;

(3) "customer name security" means security—

(A) held for the account of a customer on the date of the filing of the petition by or on behalf of the debtor;
(B) registered in such customer's name on such date or in the process of being so registered under instructions from the debtor; and
(C) not in a form transferable by delivery on such date;

(4) "customer property" means cash, security, or other property, and proceeds of such cash, security, or property, at any time received, acquired, or held by or for the account of the debtor, from or for the securities account of a customer—

(A) including—

(i) property that was unlawfully converted and that is property of the estate;
(ii) a security held as property of the debtor to the extent such security is necessary to meet a net equity claim based on a security of the same class and series of an issuer;
(iii) resources provided through the use or realization of a customer's debit cash balance or a debit item includible in the Formula for Determination of Reserve Requirement for Brokers and Dealers as promulgated by the Commission under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.); and
(iv) other property of the debtor that any applicable law, rule, or regulation requires to be set aside or held for the benefit of a customer, unless including such property as customer property would not significantly increase customer property; but

(B) not including—

(i) a customer name security delivered to or reclaimed by a customer under section 751 of this title; or
(ii) property to the extent that a customer does not have a claim against the debtor based on such property;

(5) "net equity" means, with respect to the aggregate of all of a customer's accounts that such customer holds in the same capacity—

(A) (i) aggregate dollar balance that would remain in such accounts after the liquidation, by sale or purchase, at the time of the filing of the petition of all securities positions in all such accounts, except customer name securities of such customer; minus
(ii) any claim of the debtor against such customer that

would have been owing immediately after such liquidation; plus

(B) any payment by such customer to the trustee, within 60 days after notice under section 342 of this title, of any business related claim of the debtor against such customer; *Ante*, p. 2565.

(6) "SIPC" means Security Investor Protection Corporation.

§ 742. Effect of section 362 of this title in this subchapter 11 USC 742.

Notwithstanding section 362 of this title, SIPC may file an application for a protective decree under the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.). The filing of such application stays all proceedings in the case under this chapter unless and until such application is dismissed. If SIPC completes the liquidation of the debtor, then the court shall dismiss the case. *Ante*, p. 2570.

§ 743. Notice 11 USC 743.

The clerk shall give the notice required by section 342(a) of this title to SIPC and to the Commission.

§ 744. Executory contracts 11 USC 744.

Notwithstanding section 365(d)(1) of this title, the trustee shall assume or reject, under section 365 of this title, any executory contract of the debtor for the purchase or sale of a security in the ordinary course of the debtor's business, within a reasonable time after the date of the order for relief, not to exceed 30 days. If the trustee does not assume such a contract within such time, such contract is rejected. *Ante*, p. 2574.

§ 745. Treatment of accounts 11 USC 745.

(a) Accounts held by a particular customer in separate capacities shall be treated as accounts of separate customers.

(b) If a stockbroker or a bank holds a customer net equity claim against the debtor that arose out of a transaction for a customer of such stockbroker or bank, each such customer of such stockbroker or bank shall be treated as a separate customer of the debtor.

(c) A trustee's account specified as such on the debtor's books, and supported by a trust deed filed with, and qualified as such by, the Internal Revenue Service, and under the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.), shall be treated as a separate customer account for each beneficiary under such trustee account.

§ 746. Extent of customer claim 11 USC 746.

(a) If, after the date of the filing of the petition, an entity effects, with respect to cash or a security, a transaction with the debtor, in a manner that would have made such entity a customer with respect to such cash or security had such transaction occurred before such date, and such transaction was effected by such entity in good faith and before the qualification under section 322 of this title of a trustee, such entity shall be deemed a customer, and the date of such transaction shall be deemed to be the date of the filing of the petition for the purpose of determining such entity's net equity with respect to such cash or security. *Ante*, p. 2562.

(b) An entity does not have a claim as a customer to the extent that such entity has a claim for cash or a security that, by contract, agreement, understanding, or operation of law, is—

(1) part of the capital of the debtor; or

(2) is subordinated to the claims of any or all creditors.

§ 747. Subordination of certain customer claims 11 USC 747.

Except as provided in section 510 of this title, unless all other cus- *Ante*, p. 2586.

tomer net equity claims have been paid in full, the trustee may not pay in full or pay in part, directly or indirectly, any net equity claim of a customer that was, on the date such claim arose—

(1) an insider;

(2) a beneficial owner of at least five percent of any class of equity securities of the debtor, other than—

(A) nonconvertible stock having fixed preferential dividend and liquidation rights; or

(B) interests of limited partners in a limited partnership;

(3) a limited partner with a participation of at least five percent in the net assets or net profits of the debtor; or

(4) an entity that, directly or indirectly, through agreement or otherwise, exercised or had the power to exercise control over the management or policies of the debtor.

11 USC 748.

§ 748. Reduction of securities to money

As soon as practicable after the date of the order for relief, the trustee shall reduce to money, consistent with good market practice, all securities held as property of the estate, except for customer name securities delivered or reclaimed under section 751 of this title.

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11 USC 749.

§ 749. Voidable transfers

Any transfer of property that, except for such transfer, would have been customer property, may be avoided by the trustee, and shall be treated as customer property, if and to the extent that the trustee avoids such transfer under section 544, 545, 547, 548, 549, or 724(a) of this title. For the purpose of such sections, the property so transferred shall be deemed to have been property of the debtor and, if such transfer was made to a customer or for a customer's benefit, such customer shall be deemed, for the purposes of this section, to have been a creditor.

11 USC 750.

§ 750. Distribution of securities

The trustee may not distribute a security except under section 751 of this title.

11 USC 751.

§ 751. Customer name securities

The trustee shall deliver any customer name security to or on behalf of the customer entitled to such security, unless such customer has a negative net equity. With the approval of the trustee, a customer may reclaim a customer name security after payment to the trustee, within such period as the trustee allows, of any claim of the debtor against such customer to the extent that such customer will not have a negative net equity after such payment.

11 USC 752.

§ 752. Customer property

(a) The trustee shall distribute customer property ratably to customers on the basis and to the extent of such customers allowed net equity claims and in priority to all other claims, except claims specified in section 507(a)(1) of this title that are attributable to the administration of customer property.

Ante, p. 2583.

(b)(1) The trustee shall distribute customer property in excess of that distributed under subsection (a) of this section in accordance with section 726 of this title.

Ante, p. 2586.

(2) Except as provided in section 510 of this title, if a customer is not paid the full amount of such customer's allowed net equity claim from customer property, the unpaid portion of such claim is a claim entitled to distribution under section 726(a) of this title.

(c) Subject to section 741(4)(B) of this title, any cash or security remaining after the liquidation of a security interest created under a security agreement made by the debtor shall be apportioned between the general estate and customer property in the proportion that the general property of the debtor and the cash or securities of customers were subject to such security interest.

SUBCHAPTER IV—COMMODITY BROKER LIQUIDATION

§ 761. Definitions for this subchapter 11 USC 761.

In this subchapter—

(1) "Act" means Commodity Exchange Act (7 U.S.C. 1 et seq.);

(2) "clearing organization" means organization that clears commodity contracts on, or subject to the rules of, a contract market or board of trade;

(3) "Commission" means Commodity Futures Trading Commission;

(4) "commodity contract" means—

(A) if the debtor is a futures commission merchant, contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade;

(B) if the debtor is a foreign futures commission merchant, foreign future;

(C) if the debtor is a leverage transaction merchant, leverage transaction;

(D) if the debtor is a clearing organization, contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade that is cleared by the debtor; or

(E) if the debtor is a commodity options dealer, commodity option;

(5) "commodity option" means agreement or transaction subject to regulation under section 4c(b) of the Act (7 U.S.C. 6c(b));

(6) "commodity options dealer" means person that extends credit to, or that accepts cash, a security, or other property from, a customer of such person for the purchase or sale of an interest in a commodity option;

(7) "contract market" means board of trade designated as a contract market by the Commission under the Act;

(8) "contract of sale", "commodity", "future delivery", "board of trade", and "futures commission merchant" have the meanings assigned to those terms in the Act;

(9) "customer" means—

(A) if the debtor is a futures commission merchant—

(i) entity for or with whom the debtor deals and that holds a claim against the debtor on account of a commodity contract made, received, acquired, or held by or through the debtor in the ordinary course of the debtor's business as a futures commission merchant from or for the commodity futures account of such entity; or

(ii) entity that holds a claim against the debtor arising out of—

(I) the making, liquidation, or change in the value of a commodity contract of a kind specified in clause (i) of this subparagraph;

(II) a deposit or payment of cash, a security, or other property with the debtor for the purpose of making or margining such a commodity contract; or

(III) the making or taking of delivery on such a commodity contract;

(B) if the debtor is a foreign futures commission merchant—

(i) entity for or with whom the debtor deals and that holds a claim against the debtor on account of a commodity contract made, received, acquired, or held by or through the debtor in the ordinary course of the debtor's business as a foreign futures commission merchant from or for the foreign futures account of such entity; or

(ii) entity that holds a claim against the debtor arising out of—

(I) the making, liquidation, or change in value of a commodity contract of a kind specified in clause (i) of this subparagraph;

(II) a deposit or payment of cash, a security, or other property with the debtor for the purpose of making or margining such a commodity contract; or

(III) the making or taking of delivery on such a commodity contract;

(C) if the debtor is a leverage transaction merchant—

(i) entity for or with whom the debtor deals and that holds a claim against the debtor on account of a commodity contract engaged in by or with the debtor in the ordinary course of the debtor's business as a leverage transaction merchant from or for the leverage account of such entity;

(ii) entity that hold a claim against the debtor arising out of—

(I) the making, liquidation, or change in value of a commodity contract of a kind specified in clause (i) of this subparagraph;

(II) a deposit or payment of cash, a security, or other property with the debtor for the purpose of entering into or margining such a commodity contract; or

(III) the making or taking of delivery on such a commodity contract;

(D) if the debtor is a clearing organization, clearing member of the debtor with whom the debtor deals and that holds a claim against the debtor on account of cash, a security, or other property received by the debtor to margin, guarantee, or secure a commodity contract in such clearing member's proprietary account or customers' account; or

(E) if the debtor is a commodity options dealer—

(i) entity for or with whom the debtor deals and that holds a claim on account of a commodity contract made, received, acquired, or held by or through the debtor in the ordinary course of the debtor's business as a commodity options dealer from or for the commodity options account of such entity; or

(ii) entity that holds a claim against the debtor arising out of—

(I) the making of, liquidation of, exercise of, or a change in value of, a commodity contract of a kind specified in clause (i) of this subparagraph; or

(II) a deposit or payment of cash, a security, or other property with the debtor for the purpose of making, exercising, or margining such a commodity contract;

(10) "customer property" means cash, a security, or other property, or proceeds of such cash, security, or property, at any time received, acquired, or held by or for the account of the debtor, from or for the account of a customer—

(A) including—

(i) property received, acquired, or held to margin, guarantee, secure, purchase, or sell a commodity contract;

(ii) profits or contractual or other rights accruing to a customer as a result of a commodity contract;

(iii) an open commodity contract;

(iv) specifically identifiable customer property;

(v) warehouse receipt or other document held by the debtor evidencing ownership of or title to property to be delivered to fulfill a commodity contract from or for the account of a customer;

(vi) cash, a security, or other property received by the debtor as payment for a commodity to be delivered to fulfill a commodity contract from or for the account of a customer;

(vii) a security held as property of the debtor to the extent such security is necessary to meet a net equity claim based on a security of the same class and series of an issuer;

(viii) property that was unlawfully converted and that is property of the estate; and

(ix) other property of the debtor that any applicable law, rule, or regulation requires to be set aside or held for the benefit of a customer, unless including such property as customer property would not significantly increase customer property; but

(B) not including property to the extent that a customer does not have a claim against the debtor based on such property;

(11) "foreign future" means contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a board of trade outside the United States;

(12) "foreign futures commission merchant" means entity engaged in soliciting or accepting orders for the purchase or sale of a foreign future or that, in connection with such a solicitation or acceptance, accepts cash, a security, or other property or extends credit, to margin, guarantee, or secure any trade or contract that results from such a solicitation or acceptance;

(13) "leverage transaction" means agreement that is subject to regulation under section 217 of the Commodity Futures Trading Commission Act of 1974 (7 U.S.C. 15a), and that is commonly known to the commodities trade as a margin account, margin contract, leverage account, or leverage contract;

(14) "leverage transaction merchant" means person that is engaged in the business of engaging in leverage transactions;

(15) "margin payment" means payment or deposit of cash, a security, or other property, that is commonly known to the commodities trade as original margin, initial margin, maintenance margin, or variation margin, including a daily variation settlement payment;

(16) "member property" means customer property at any time received, acquired, or held by or for the account of a debtor that is a clearing organization, from or for the proprietary account of a customer that is a clearing member of the debtor; and

(17) "net equity" means, subject to such rules and regulations as the Commission promulgates under the Act, with respect to the aggregate of all of a customer's accounts that such customer holds in the same capacity—

(A) balance remaining in such customer's accounts immediately after—

(i) all commodity contracts of such customer have been transferred, liquidated, or become identified for delivery; and

(ii) all obligations of such customer to the debtor have been offset; plus

(B) the value, as of the date of return under section 766 of this title, of any specifically identifiable customer property actually returned to such customer before the date specified in subparagraph (A) of this paragraph; plus

(C) the value, as of the date of transfer, of—

(i) any commodity contract to which such customer is entitled that is transferred to another person under section 766 of this title; and

(ii) any cash, security, or other property of such customer transferred to such other person under section 766 of this title to margin or secure such transferred commodity contract.

11 USC 762.

§ 762. Notice to the Commission and right to be heard

Ante, p. 2565

(a) The clerk shall give the notice required by section 342 of this title to the Commission.

(b) The Commission may raise and may appear and be heard on any issue in a case under this chapter.

11 USC 763.

§ 763. Treatment of accounts

(a) Accounts held by a particular customer in separate capacities shall be deemed to be accounts of separate customers.

(b) A member of a clearing organization shall be deemed to hold such member's proprietary account in a separate capacity from such member's customers' account.

(c) The net equity in a customer's account may not be offset against the net equity in the account of any other customer.

11 USC 764.

§ 764. Voidable transfers

(a) Except as otherwise provided in this section, any transfer of property that, except for such transfer, would have been customer property, may be avoided by the trustee, and shall be treated as customer property, if and to the extent that the trustee avoids such transfer under section 544, 545, 547, 548, 549, or 724(a) of this title. For the purpose of such sections, the property so transferred is deemed to have been property of the debtor, and, if such transfer was made to a customer or for a customer's benefit, such customer is deemed, for the purposes of this section, to have been a creditor.

Ante, pp. 2596, 2597.

(b) Notwithstanding sections 544, 545, 547, 548, 549, and 724(a) of this title, the trustee may not avoid a transfer made before five days after the date of the filing of the petition, if such transfer is approved by the Commission by rule or order, either before or after such transfer, and if such transfer is— *Ante*, pp. 2596, 2597.

(1) a transfer of a commodity contract entered into or carried by or through the debtor on behalf of a customer, and of any cash, securities, or other property margining or securing such commodity contract; or

(2) the liquidation of a commodity contract entered into or carried by or through the debtor on behalf of a customer.

(c) Notwithstanding sections 544, 545, 547, 548, and 724(a) of this title, the trustee may not avoid a transfer that is a margin payment to or deposit with a commodity broker or forward contract merchant or is a settlement payment made by a clearing organization and that occurs before the commencement of the case, except under section 548(a)(1) of this title.

§ 765. Customer instructions 11 USC 765.

(a) The notice under section 342 of this title to customers shall instruct each customer— *Ante*, p. 2565.

(1) to file a proof of such customer's claim promptly, and to specify in such claim any specifically identifiable security, property, or commodity contract; and

(2) to instruct the trustee of such customer's desired disposition, including transfer under section 766 of this title or liquidation, of any commodity contract specifically identified to such customer. *Infra.*

(b) The trustee shall comply, to the extent practicable, with any instruction received from a customer regarding such customer's desired disposition of any commodity contract specifically identified to such customer. If the trustee has transferred, under section 766 of this title, such a commitment, the trustee shall transmit any such instruction to the commodity broker to whom such commodity contract was so transferred.

§ 766. Treatment of customer property 11 USC 766.

(a) The trustee shall answer all margin calls with respect to a specifically identifiable commodity contract of a customer until such time as the trustee returns or transfers such commodity contract, but the trustee may not make a margin payment that has the effect of a distribution of more than that to which such customer is entitled under subsection (h) or (i) of this section.

(b) The trustee shall prevent any open commodity contract that is being actively traded as of the date of the filing of the petition from remaining open after the last day of trading in such commodity contract, or into the first day on which notice of intent to deliver on such commodity contract may be tendered, whichever occurs first. With respect to any commodity contract that has remained open after the last day of trading in such commodity contract or with respect to which delivery must be made or accepted under the rules of contract market on which such commodity contract was made, the trustee may operate the business of the debtor for the purpose of—

(1) accepting or making tender of notice of intent to deliver the physical commodity underlying such commodity contract;

(2) facilitating delivery of such commodity; or

(3) disposing of such commodity if a party to such commodity contract defaults.

(c) The trustee shall return promptly to a customer any specifically identifiable security, property, or commodity contract to which such customer is entitled, or shall transfer, on such customer's behalf, such security, property, or commodity contract to a commodity broker that is not a debtor under this title, subject to such rules or regulations as the Commission may prescribe, to the extent that the value of such security, property, or commodity contract does not exceed the amount to which such customer would be entitled under subsection (h) or (i) of this section if such security, property, or commodity contract were not returned or transferred under this subsection.

(d) If the value of a specifically identifiable security, property, or commodity contract exceeds such amount, then the customer to whom such security, property, or commodity contract is specifically identified may deposit cash with the trustee equal to the difference between the value of such security, property, or commodity contract and such amount, and the trustee shall—

(1) return promptly such security, property, or commodity contract to such customer; or

(2) transfer, on such customer's behalf, such security, property, or commodity contract to a commodity broker that is not a debtor under this title, subject to such rules or regulations as the Commission may prescribe.

(e) Subject to subsection (b) of this section, the trustee shall liquidate any commodity contract that—

(1) is identified to a particular customer and with respect to which such customer has not timely instructed the trustee as to the desired disposition of such commodity contract;

(2) cannot be transferred under subsection (c) of this section; or

(3) cannot be identified to a particular customer.

(f) As soon as practicable after the commencement of the case, the trustee shall reduce to money, consistent with good market practice, all securities and other property, other than commodity contracts, held as property of the estate, except for specifically identifiable securities or property distributable under subsection (h) or (i) of this section.

(g) The trustee may not distribute a security or other property except under subsection (h) or (i) of this section.

(h) Except as provided in subsection (b) of this section, the trustee shall distribute customer property ratably to customers on the basis and to the extent of such customers' allowed net equity claims, and in priority to all other claims, except claims of a kind specified in section 507(a)(1) of this title that are attributable to the administration of customer property. Such distribution shall be in the form of—

Ante, p. 2583.

(1) cash;

(2) the return or transfer, under subsection (c) or (d) of this section, of specifically identifiable customer securities, property, or commodity contracts; or

(3) payment of margin calls under subsection (a) of this section.

(i) If the debtor is a clearing organization, the trustee shall distribute—

(1) customer property, other than member property, ratably to customers on the basis and to the extent of such customers' allowed net equity claims based on such customers' accounts other than proprietary accounts, and in priority to all other claims, except claims of a kind specified in section 507(a)(1) of this title that are attributable to the administration of such customer property; and

(2) member property ratably to customers on the basis and to the extent of such customers' allowed net equity claims based on such customers' proprietary accounts, and in priority to all other claims, except claims of a kind specified in section 507(a)(1) of this title that are attributable to the administration of member property or customer property. *Ante*, p. 2583.

(j)(1) The trustee shall distribute customer property in excess of that distributed under subsection (h) or (i) of this section in accordance with section 726 of this title.

(2) Except as provided in section 510 of this title, if a customer is not paid the full amount of such customer's allowed net equity claim from customer property, the unpaid portion of such claim is a claim entitled to distribution under section 726(a) of this title.

CHAPTER 9—ADJUSTMENT OF DEBTS OF A MUNICIPALITY

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SUBCHAPTER I—GENERAL PROVISIONS

§ 901. Applicability of other sections of this title 11 USC 901.

(a) Sections 301, 344, 347(b), 349, 350(b), 361, 362, 364(c), 364(d), 364(e), 364(f), 365, 366, 501, 502, 503, 504, 506, 507(a)(1), 509, 510, 524(a)(1), 524(a)(2), 544, 545, 546, 547, 548, 549(a), 549(c), 549(d), 550, 551, 552, 553, 1102, 1103, 1109, 1111(b) 1122, 1123(a)(1), 1123(a)(2), 1123(a)(3), 1123(a)(4), 1123(a)(5), 1123(b), 1124, 1125, 1126(a), 1126(b), 1126(c), 1126(e), 1126(f), 1126(g), 1127(d), 1128, 1129(a)(2), 1129(a)(3), 1129(a)(8), 1129(a)(10), 1129(b)(1), 1129(b)(2)(A), 1129(b)(2)(B), 1142(b), 1143, 1144, and 1145 of this title apply in a case under this chapter. *Ante*, pp. 2558, 2565, 2568–2570, 2574, 2578–2583, 2585, 2586, 2592, 2596, 2597, 2600–2602.

(b) A term used in a section of this title made applicable in a case under this chapter by subsection (a) of this section or section 103(e) of this title has the meaning defined for such term for the purpose of such applicable section, unless such term is otherwise defined in section 902 of this title. *Ante*, p. 2555.

(c) A section made applicable in a case under this chapter by subsection (a) of this section that is operative if the business of the debtor is authorized to be operated is operative in a case under this chapter.

11 USC 902.

§ 902. Definitions for this chapter

In this chapter—

(1) "property of the estate", when used in a section that is made applicable in a case under this chapter by section 103(e) or 901 of this title, means property of the debtor;

Ante, p. 2555.

(2) "special tax payer" means record owner or holder of title, legal or equitable, to real property against which has been levied a special assessment or special tax the proceeds of which are the sole source of payment of an obligation issued by the debtor to defray the cost of an improvement relating to such real property;

(3) "special tax payer affected by the plan" means special tax payer with respect to whose real property the plan proposes to increase the proportion of special assessments or special taxes referred to in paragraph (2) of this section assessed against such real property; and

(4) "trustee", when used in a section that is made applicable in a case under this chapter by section 103(e) or 901 of this title, means debtor, except as provided in section 926 of this title.

11 USC 903.

§ 903. Reservation of State power to control municipalities

This chapter does not limit or impair the power of a State to control, by legislation or otherwise, a municipality of or in such State in the exercise of the political or governmental powers of such municipality, including expenditures for such exercise, but—

(1) a State law prescribing a method of composition of indebtedness of such municipality may not bind any creditor that does not consent to such composition; and

(2) a judgment entered under such a law may not bind a creditor to that does not consent to such composition.

11 USC 904.

§ 904. Limitation on jurisdiction and powers of court

Notwithstanding any power of the court, unless the debtor consents or the plan so provides, the court may not, by any stay, order, or decree, in the case or otherwise, interfere with—

(1) any of the political or governmental powers of the debtor;

(2) any of the property or revenues of the debtor; or

(3) the debtor's use or enjoyment of any income-producing property.

SUBCHAPER II—ADMINISTRATION

11 USC 921.

§ 921. Petition and proceedings relating to petition

Ante, pp. 2557, 2558.

(a) Notwithstanding sections 109(c) and 301 of this title, a case under this chapter concerning an unincorporated tax or special assessment district that does not have such district's own officials is commenced by the filing under section 301 of this title of a petition under this chapter by such district's governing authority or the board or body having authority to levy taxes or assessments to meet the obligations of such district.

(b) The chief judge of the court of appeals for the circuit embracing the district in which the case is commenced shall designate the bankruptcy judge to conduct the case.

(c) After an objection to the petition, the court, after notice and a hearing, may dismiss the petition, if the debtor did not file the petition in good faith, or if the petition does not meet the requirements of this title.

(e) If the petition is not dismissed under subsection (d) of this section, the court shall order relief under this chapter.

(f) The court may not, on account of an appeal from an order for relief, delay any proceeding under this chapter in the case in which the appeal is being taken; nor shall any court order a stay of such proceeding pending such appeal. The reversal on appeal of a finding of jurisdiction does not affect the validity of any debt incurred that is authorized by the court under section 364(c) or 364(d) of this title. *Ante*, p. 2574.

§ 922. Automatic stay of enforcement of claims against the debtor 11 USC 922.

(a) A petition filed under this chapter operates as a stay, in addition to the stay provided by section 362 of this title, applicable to all entities, of— *Ante*, p. 2570.

(1) the commencement or continuation, including the issuance or employment of process, of judicial, administrative, or other proceeding against an officer or inhabitant of the debtor that seeks to enforce a claim against the debtor; and

(2) the enforcement of a lien on or arising out of taxes or assessments owed to the debtor.

(b) Subsections (c), (d), (e), (f), and (g) of section 362 of this title apply to a stay under subsection (a) of this section the same as such subsections apply to a stay under section 362(a) of this title.

§ 923. Notice 11 USC 923.

There shall be given notice of the commencement of a case under this chapter, notice of an order for relief under this chapter, and notice of the dismissal of a case under this chapter. Such notice shall also be published at least once a week for three successive weeks in at least one newspaper of general circulation published within the district in which the case is commenced, and in such other newspaper having a general circulation among bond dealers and bondholders as the court designates.

§ 924. List of creditors 11 USC 924.

The debtor shall file a list of creditors.

§ 925. Effect of list of claims 11 USC 925.

A proof of claim is deemed filed under section 501 of this title for any claim that appears in the list filed under section 924 of this title, except a claim that is listed as disputed, contingent, or unliquidated.

§ 926. Avoiding powers 11 USC 926.

If the debtor refuses to pursue a cause of action under section 544, 545, 547, 548, 549(a), or 550 of this title, then on request of a creditor, the court may appoint a trustee to pursue such cause of action. *Ante*, pp. 2596, 2597, 2600, 2601.

§ 927. Dismissal 11 USC 927.

(a) After notice and a hearing, the court may dismiss a case under this chapter for cause, including— Notice and hearing.

(1) want of prosecution;

(2) unreasonable delay by the debtor that is prejudicial to creditors;

(3) failure to propose a plan within the time fixed under section 941 of this title;

(4) if a plan is not accepted within any time fixed by the court;

(5) denial of confirmation of a plan under section 943(b) of this title and denial of additional time for filing another plan or a modification of a plan; or

(6) if the court has retained jurisdiction after confirmation of a plan—

(A) material default by the debtor with respect to a term of such plan; or

(B) termination of such plan by reason of the occurrence of a condition specified in such plan.

(b) The court shall dismiss a case under this chapter if confirmation is refused.

SUBCHAPTER III—THE PLAN

11 USC 941.

§ 941. Filing of plan

The debtor shall file a plan for the adjustment of the debtor's debts. If such a plan is not filed with the petition, the debtor shall file such a plan at such later time as the court fixes.

11 USC 942.

§ 942. Modification of plan

The debtor may modify the plan at any time before confirmation, but may not modify the plan so that the plan as modified fails to meet the requirements of this chapter. After the debtor files a modification, the plan as modified becomes the plan.

11 USC 943.

§ 943. Confirmation

(a) A special tax payer may object to confirmation of a plan.

(b) The court shall confirm the plan if—

(1) the plan complies with the provisions of this title made applicable by sections 103(e) and 901 of this title;

Ante, p. 2555.

(2) the plan complies with the provisions of this chapter;

(3) all amounts to be paid by the debtor or by any person for services or expenses in the case or incident to the plan have been fully disclosed and are reasonable;

(4) the debtor is not prohibited by law from taking any action necessary to be taken to carry out the plan;

(5) the plan provides that each holder of a claim of the kind specified in section 507(a)(1) of this title will receive, on account of such claim, property of a value, as of the effective date of the plan, equal to the allowed amount of such claim, except to the extent that the holder of a particular claim of such kind has waived such payment on such claim; and

Ante, p. 2583.

(6) the plan is in the best interests of creditors and is feasible.

11 USC 944.

§ 944. Effect of confirmation

(a) The provisions of a confirmed plan bind the debtor and any creditor, whether or not—

(1) a proof of such creditor's claim is filed or deemed filed under section 501 of this title;

Ante, p. 2578.

(2) such claim is allowed under section 502 of this title; or

Ante, p. 2579.

(3) such creditor has accepted the plan.

(b) Except as provided in subsection (c) of this section, the debtor is discharged from all debts as of the time when—

(1) the plan is confirmed;

(2) the debtor deposits any consideration to be distributed under the plan with a disbursing agent appointed by the court; and

(3) the court has determined—

(A) that any security so deposited will constitute, after distribution, a valid legal obligation of the debtor; and

(B) that any provision made to pay or secure payment of such obligation is valid.

(c) The debtor is not discharged under subsection (b) of this section from any debt—

(1) excepted from discharge by the plan or order confirming the plan; or

(2) owed to an entity that, before confirmation of the plan, had neither notice nor actual knowledge of the case.

§ 945. Continuing jurisdiction and closing of the case 11 USC 945.

(a) The court may retain jurisdiction over the case for such period of time as is necessary for the successful execution of the plan.

(b) Except as provided in subsection (a) of this section, the court shall close the case when administration of the case has been completed.

§ 946. Effect of exchange of securities before the date of the filing of the petition 11 USC 946.

The exchange of a new security under the plan for a claim covered by the plan, whether such exchange occurred before or after the date of the filing of the petition, does not limit or impair the effectiveness of the plan or of any provision of this chapter. The amount and number specified in section 1126(c) of this title include the amount and number of claims formerly held by a creditor that has participated in any such exchange.

CHAPTER 11—REORGANIZATION

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SUBCHAPTER I—OFFICERS AND ADMINISTRATION

11 USC 1101.

§ 1101. Definitions for this chapter

In this chapter—

(1) "debtor in possession" means debtor except when a person that has qualified under section 322 of this title is serving as trustee in the case;

Ante, p. 2562.

(2) "substantial consummation" means—

(A) transfer of all or substantially all of the property proposed by the plan to be transferred;

(B) assumption by the debtor or by the successor to the debtor under the plan of the business or of the management of all or substantially all of the property dealt with by the plan; and

(C) commencement of distribution under the plan.

11 USC 1102.

§ 1102. Creditors' and equity security holders' committees

(a)(1) As soon as practicable after the order for relief under this chapter, the court shall appoint a committee of creditors holding unsecured claims.

(2) On request of a party in interest, the court may order the appointment of additional committees of creditors or of equity security holders if necessary to assure adequate representation of creditors or of equity security holders. The court shall appoint any such committee.

(b)(1) A committee of creditors appointed under subsection (a) of this section shall ordinarily consist of the persons, willing to serve, that hold the seven largest claims against the debtor of the kinds represented on such committee, or of the members of a committee organized by creditors before the order for relief under this chapter, if such committee was fairly chosen and is representative of the different kinds of claims to be represented.

(2) A committee of equity security holders appointed under subsection (a)(2) of this section shall ordinarily consist of the persons, willing to serve, that hold the seven largest amounts of equity securities of the debtor of the kinds represented on such committee.

(c) On request of a party in interest and after notice and a hearing, the court may change the membership or the size of a committee appointed under subsection (a) of this section if the membership of such committee is not representative of the different kinds of claims or interests to be represented.

§ 1103. Powers and duties of committees 11 USC 1103.

(a) At a scheduled meeting of a committee appointed under section 1102 of this title, at which a majority of the members of such committee are present, and with the court's approval, such committee may select and authorize the employment by such committee of one or more attorneys, accountants, or other agents, to represent or perform services for such committee.

(b) A person employed to represent a committee appointed under section 1102 of this title may not, while employed by such committee, represent any other entity in connection with the case.

(c) A committee appointed under section 1102 of this title may—

(1) consult with the trustee or debtor in possession concerning the administration of the case;

(2) investigate the acts, conduct, assets, liabilities, and financial condition of the debtor, the operation of the debtor's business and the desirability of the continuance of such business, and any other matter relevant to the case or to the formulation of a plan;

(3) participate in the formulation of a plan, advise those represented by such committee of such committee's recommendations as to any plan formulated, and collect and file with the court acceptances of a plan;

(4) request the appointment of a trustee or examiner under section 1104 of this title, if a trustee or examiner, as the case may be, has not previously been appointed under this chapter in the case; and *Infra.*

(5) perform such other services as are in the interest of those represented.

(d) As soon as practicable after the appointment of a committee under section 1102 of this title, the trustee shall meet with such committee to transact such business as may be necessary and proper.

§ 1104. Appointment of trustee or examiner 11 USC 1104.

(a) At any time after the commencement of the case but before confirmation of a plan, on request of a party in interest, and after notice and a hearing, the court shall order the appointment of a trustee—

(1) for cause, including fraud, dishonesty, incompetence, or gross mismanagement of the affairs of the debtor by current management, either before or after the commencement of the case, or similar cause, but not including the number of holders of securities of the debtor or the amount of assets or liabilities of the debtor; or

(2) if such appointment is in the interests of creditors, any equity security holders, and other interests of the estate, without regard to the number of holders of securities of the debtor or the amount of assets or liabilities of the debtor.

(b) If the court does not order the appointment of a trustee under this section, then at any time before the confirmation of a plan, on request of a party in interest, and after notice and a hearing, the court shall order the appointment of an examiner to conduct such an investigation of the debtor as is appropriate, including an investigation of any allegations of fraud, dishonesty, incompetence, misconduct, mismanagement, or irregularity in the management of the affairs of the debtor of or by current or former management of the debtor, if—

(1) such appointment is in the interests of creditors, any equity security holders, and other interests of the estate; or

(2) the debtor's fixed, liquidated, unsecured debts, other than debts for goods, services, or taxes, or owing to an insider, exceed $5,000,000.

(c) If the court orders the appointment of a trustee or an examiner, if a trustee or an examiner dies or resigns during the case or is removed under section 324 of this title, or if a trustee fails to qualify under section 322 of this title, then the court shall appoint one disinterested person to serve as trustee or examiner, as the case may be, in the case.

Ante, p. 2562.
Ante, p. 2562.

11 USC 1105.

§ 1105. Termination of trustee's appointment

At any time before confirmation of a plan, on request of a party in interest, and after notice and a hearing, the court may terminate the trustee's appointment and restore the debtor to possession and management of the property of the estate, and operation of the debtor's business.

11 USC 1106.

§ 1106. Duties of trustee and examiner

(a) A trustee shall—

(1) perform the duties of a trustee specified in sections 704(2), 704(4), 704(6), 704(7), and 704(8) of this title;

Ante, p. 2605.

(2) if the debtor has not done so, file the list, schedule, and statement required under section 521(1) of this title;

Ante, p. 2586.

(3) except to the extent that the court orders otherwise, investigate the acts, conduct, assets, liabilities, and financial condition of the debtor, the operation of the debtor's business and the desirability of the continuance of such business, and any other matter relevant to the case or to the formulation of a plan;

(4) as soon as practicable—

(A) file a statement of any investigation conducted under paragraph (3) of this subsection, including any fact ascertained pertaining to fraud, dishonesty, incompetence, misconduct, mismanagement, or irregularity in the management of the affairs of the debtor, or to a cause of action available to the estate; and

(B) transmit a copy or a summary of any such statement to any creditors' committee or equity security holders' committee, to any indenture trustee, and to such other entity as the court designates;

(5) as soon as practicable, file a plan under section 1121 of this title, file a report of why the trustee will not file a plan, or recommend conversion of the case to a case under chapter 7 or 13 of this title or dismissal of the case;

Ante, p. 2603.

(6) for any year for which the debtor has not filed a tax return required by law, furnish, without personal liability, such information as may be required by the governmental unit with which such tax return was to be filed, in light of the condition of the debtor's books and records and the availability of such information; and

(7) after confirmation of a plan, file such reports as are necessary or as the court orders.

(b) An examiner appointed under section 1104(c) of this title shall perform the duties specified in paragraphs (3) and (4) of subsection (a) of this section, and any other duties of the trustee that the court orders the debtor in possession not to perform.

11 USC 1107.

§ 1107. Rights, powers, and duties of debtor in possession

(a) Subject to any limitations on a trustee under this chapter, and to such limitations or conditions as the court prescribes, a debtor in possession shall have all the rights, other than the right to compensa-

tion under section 330 of this title, and powers, and shall perform all the functions and duties, except the duties specified in sections 1106(a)(2), (3), and (4) of this title, of a trustee serving in a case under this chapter. *Ante*, p. 2564.

(b) Notwithstanding section 327(a) of this title, a person is not disqualified for employment under section 327 of this title by a debtor in possession solely because of such person's employment by or representation of the debtor before the commencement of the case. *Ante*, p. 2563.

§ 1108. Authorization to operate business 11 USC 1108.

Unless the court orders otherwise, the trustee may operate the debtor's business.

§ 1109. Right to be heard 11 USC 1109.

(a) The Securities and Exchange Commission may raise and may appear and be heard on any issue in a case under this chapter, but the Securities and Exchange Commission may not appeal from any judgment, order, or decree entered in the case.

(b) A party in interest, including the debtor, the trustee, a creditors' committee, an equity security holders' committee, a creditor, an equity security holder, or any indenture trustee, may raise and may appear and be heard on any issue in a case under this chapter.

§ 1110. Aircraft equipment and vessels 11 USC 1110.

(a) The right of a secured party with a purchase-money equipment security interest in, or of a lessor or conditional vendor of, whether as trustee or otherwise, aircraft, aircraft engines, propellers, appliances, or spare parts, as defined in section 101 of the Federal Aviation Act of 1958 (49 U.S.C. 1301), or vessels of the United States, as defined in subsection B(4) of the Ship Mortgage Act, 1920 (46 U.S.C. 911(4)), that are subject to a purchase-money equipment security interest granted by, leased to, or conditionally sold to, a debtor that is an air carrier operating under a certificate of convenience and necessity issued by the Civil Aeronautics Board, or a water carrier that holds a certificate of public convenience and necessity or permit issued by the Interstate Commerce Commission, as the case may be, to take possession of such equipment in compliance with the provisions of a purchase-money equipment security agreement, lease, or conditional sale contract, as the case may be, is not affected by section 362 or 363 of this title or by any power of the court to enjoin such taking of possession, unless— *Ante*, pp. 2570, 2572.

(1) before 60 days after the date of the order for relief under this chapter, the trustee, subject to the court's approval, agrees to perform all obligations of the debtor that become due on or after such date under such security agreement, lease, or conditional sale contract, as the case may be; and

(2) any default, other than a default of a kind specified in section 365(b)(2) of this title, under such security agreement, lease, or conditional sale contract, as the case may be— *Ante*, p. 2574.

(A) that occurred before such date is cured before the expiration of such 60-day period; and

(B) that occurs after such date is cured before the later of—

(i) 30 days after the date of such default; and

(ii) the expiration of such 60-day period.

(b) The trustee and the secured party, lessor, or conditional vendor, as the case may be, whose right to take possession is protected under

subsection (a) of this section may agree, subject to the court's approval, to extend the 60-day period specified in subsection (a)(1) of this section.

11 USC 1111.

§ 1111. Claims and interests

Ante, p. 2578.

(a) A proof of claim or interest is deemed filed under section 501 of this title for any claim or interest that appears in the schedules

Ante, p. 2586.

filed under section 521(1) or 1106(a)(2) of this title, except a claim or interest that is scheduled as disputed, contingent, or unliquidated.

(b)(1)(A) A claim secured by a lien on property of the estate shall

Ante, p. 2579.

be allowed or disallowed under section 502 of this title the same as if the holder of such claim had recourse against the debtor on account of such claim, whether or not such holder has such recourse, unless—

(i) the class of which such claim is a part elects, by at least two-thirds in amount and more than half in number of allowed claims of such class, application of paragraph (2) of this subsection; or

(ii) such holder does not have such recourse and such property

Ante, p. 2572.

is sold under section 363 of this title or is to be sold under the plan.

(B) A class of claims may not elect application of paragraph (2) of this subsection if—

(i) the interest on account of such claims of the holders of such claims in such property is of inconsequential value; or

(ii) the holder of a claim of such class has recourse against the debtor on account of such claim and such property is sold under section 363 of this title or is to be sold under the plan.

(2) If such an election is made, then notwithstanding section

Ante, p. 2583.

506(a) of this title, such claim is a secured claim to the extent that such claim is allowed.

11 USC 1112.

§ 1112. Conversion or dismissal

(a) The debtor may convert a case under this chapter to a case

Ante, p. 2603.

under chapter 7 of this title unless—

(1) the debtor is not a debtor in possession;

(2) the case is an involuntary case originally commenced under this chapter; or

(3) the case was converted to a case under this chapter on other than the debtor's request.

Notice and hearing.

(b) Except as provided in subsection (c) of this section, on request of a party in interest, and after notice and a hearing, the court may convert a case under this chapter to a case under chapter 7 of this title or may dismiss a case under this chapter, whichever is in the best interest of creditors and the estate, for cause, including—

(1) continuing loss to or diminution of the estate and absence of a reasonable likelihood of rehabilitation;

(2) inability to effectuate a plan;

(3) unreasonable delay by the debtor that is prejudicial to creditors;

(4) failure to propose a plan under section 1121 of this title within any time fixed by the court;

(5) denial of confirmation of every proposed plan and denial of additional time for filing another plan or a modification of a plan;

(6) revocation of an order of confirmation under section 1144 of this title, and denial of confirmation of another plan or a modified plan under section 1129 of this title;

(7) inability to effectuate substantial consummation of a confirmed plan;

(8) material default by the debtor with respect to a confirmed plan; and

(9) termination of a plan by reason of the occurrence of a condition specified in the plan.

(c) The court may not convert a case under this chapter to a case under chapter 7 of this title if the debtor is a farmer or a corporation that is not a moneyed, business, or commercial corporation, unless the debtor requests such conversion. *Ante*, p. 2603.

(d) The court may convert a case under this chapter to a case under chapter 13 of this title only if—

(1) the debtor requests such conversion; and

(2) the debtor has not been discharged under section 1141(d) of this title.

(e) Notwithstanding any other provision of this section, a case may not be converted to a case under another chapter of this title unless the debtor may be a debtor under such chapter.

SUBCHAPTER II—THE PLAN

§ 1121. Who may file a plan

11 USC 1121.

(a) The debtor may file a plan with a petition commencing a voluntary case, or at any time in a voluntary case or an involuntary case.

(b) Except as otherwise provided in this section, only the debtor may file a plan until after 120 days after the date of the order for relief under this chapter.

(c) Any party in interest, including the debtor, the trustee, a creditors' committee, an equity security holders' committee, a creditor, an equity security holder, or any indenture trustee, may file a plan if and only if—

(1) a trustee has been appointed under this chapter;

(2) the debtor has not filed a plan before 120 days after the date of the order for relief under this chapter; or

(3) the debtor has not filed a plan that has been accepted, before 180 days after the date of the order for relief under this chapter, by each class the claims or interests of which are impaired under the plan.

(d) On request of a party in interest and after notice and a hearing, the court may for cause reduce or increase the 120-day period or the 180-day period referred to in this section.

§ 1122. Classification of claims or interests

11 USC 1122.

(a) Except as provided in subsection (b) of this section, a plan may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests of such class.

(b) A plan may designate a separate class of claims consisting only of every unsecured claim that is less than or reduced to an amount that the court approves as reasonable and necessary for administrative convenience.

§ 1123. Contents of plan

11 USC 1123.

(a) A plan shall—

(1) designate, subject to section 1122 of this title, classes of claims other than claims of a kind specified in section 507(a)(1), 507(a)(2), or 507(a)(6) of this title and classes of interests; *Ante*, p. 2583.

(2) specify any class of claims or interests that is not impaired under the plan;

(3) shall specify the treatment of any class of claims or interests that is impaired under the plan;

(4) provide the same treatment for each claim or interest of a particular class, unless the holder of a particular claim or interest agrees to a less favorable treatment of such particular claim or interest;

(5) provide adequate means for the plan's execution, such as—

(A) retention by the debtor of all or any part of the property of the estate;

(B) transfer of all or any part of the property of the estate to one or more entities, whether organized before or after the confirmation of such plan;

(C) merger or consolidation of the debtor with one or more persons;

(D) sale of all or any part of the property of the estate, either subject to or free of any lien, or the distribution of all or any part of the property of the estate among those having an interest in such property of the estate;

(E) satisfaction or modification of any lien;

(F) cancellation or modification of any indenture or similar instrument;

(G) curing or waiving any default;

(H) extension of a maturity date or a change in an interest rate or other term of outstanding securities;

(I) amendment of the debtor's charter; or

(J) issuance of securities of the debtor, or of any entity referred to in subparagraph (B) or (C) of this paragraph, for cash, for property, for existing securities, or in exchange for claims or interests, or for any other appropriate purpose;

(6) provide for the inclusion in the charter of the debtor, if the debtor is a corporation, or of any corporation referred to in paragraph (5)(B) or (5)(C) of this subsection, of a provision prohibiting the issuance of nonvoting equity securities, and providing, as to the several classes of securities possessing voting power, an appropriate distribution of such power among such classes, including, in the case of any class of equity securities having a preference over another class of equity securities with respect to dividends, adequate provisions for the election of directors representing such preferred class in the event of default in the payment of such dividends; and

(7) contain only provisions that are consistent with the interests of creditors and equity security holders and with public policy with respect to the manner of selection of any officer, director, or trustee under the plan and any successor to such officer, director, or trustee.

(b) Subject to subsection (a) of this section, a plan may—

(1) impair or leave unimpaired any class of claims, secured or unsecured, or of interests;

Ante, p. 2574.

(2) subject to section 365 of this title, provide for the assumption or rejection of any executory contract or unexpired lease of the debtor not previously rejected under section 365 of this title;

(3) provide for—

(A) the settlement or adjustment of any claim or interest belonging to the debtor or to the estate; or

(B) the retention and enforcement by the debtor, by the trustee, or by a representative of the estate appointed for such purpose, of any such claim or interest;

(4) provide for the sale of all or substantially all of the property of the estate, and the distribution of the proceeds of such sale among holders of claims or interests; and

(5) include any other appropriate provision not inconsistent with the applicable provisions of this title.

(c) In a case concerning an individual, a plan proposed by an entity other than the debtor may not provide for the use, sale, or lease of property exempted under section 522 of this title, unless the debtor consents to such use, sale, or lease.

Ante, p. 2586.

§ 1124. Impairment of claims or interests

11 USC 1124.

Except as provided in section 1123(a)(4) of this title, a class of claims or interests is impaired under a plan unless, with respect to each claim or interest of such class, the plan—

(1) leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder of such claim or interest;

(2) notwithstanding any contractual provision or applicable law that entitles the holder of such claim or interest to demand or receive accelerated payment of such claim or interest after the occurrence of a default—

(A) cures any such default, other than a default of a kind specified in section 365(b)(2) of this title, that occurred before or after the commencement of the case under this title;

Ante, p. 2574.

(B) reinstates the maturity of such claim or interest as such maturity existed before such default;

(C) compensates the holder of such claim or interest for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law; and

(D) does not otherwise alter the legal, equitable, or contractual rights to which such claim or interest entitles the holder of such claim or interest; or

(3) provides that, on the effective date of the plan, the holder of such claim or interest receives, on account of such claim or interest, cash equal to—

(A) with respect to a claim, the allowed amount of such claim; or

(B) with respect to an interest, if applicable, the greater of—

(i) any fixed liquidation preference to which the terms of any security representing such interest entitle the holder of such interest; and

(ii) any fixed price at which the debtor, under the terms of such security, may redeem such security from such holder.

§ 1125. Postpetition disclosure and solicitation

11 USC 1125.

(a) In this section—

(1) "adequate information" means information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records, that would enable a hypothetical reasonable investor typical of holders of claims or interests of the relevant class to make an informed judgment about the plan; and

"Adequate information."

(2) "investor typical of holders of claims or interests of the relevant class" means investor having—

"Investor typical of holders of claims or interests of the relevant class."

(A) a claim or interest of the relevant class;

(B) such a relationship with debtor as the holders of other claims or interests of such class generally have; and

(C) such ability to obtain such information from sources other than the disclosure required by this section as holders claims or interests in such class generally have.

(b) An acceptance or rejection of a plan may not be solicited after the commencement of the case under this title from a holder of a claim or interest with respect to such claim or interest, unless, at the time of or before such solicitation, there is transmitted to such holder the plan or a summary of the plan, and a written disclosure statement approved, after notice and a hearing, by the court as containing adequate information. The court may approve a disclosure statement without a valuation of the debtor or an appraisal of the debtor's assets.

(c) The same disclosure statement shall be transmitted to each holder of a claim or interest of a particular class, but there may be transmitted different disclosure statements, differing in amount, detail, or kind of information, as between classes.

(d) Whether a disclosure statement contains adequate information is not governed by any otherwise applicable nonbankruptcy law, rule, or regulation, but an agency or official whose duty is to administer or enforce such a law, rule, or regulation may be heard on the issue of whether a disclosure statement contains adequate information. Such an agency or official may not appeal from an order approving a disclosure statement.

(e) A person that solicits, in good faith and in compliance with the applicable provisions of this title, or that participates, in good faith and in compliance with the applicable provisions of this title, in the offer, issuance, sale, or purchase of a security, offered or sold under the plan, of the debtor, of an affiliate participating in a joint plan with the debtor, or of a newly organized successor to the debtor under the plan, is not liable, on account of such solicitation or participation, for violation of any applicable law, rule, or regulation governing the offer, issuance, sale, or purchase of securities.

11 USC 1126.

§ 1126. Acceptance of plan

Ante, p. 2579.

(a) The holder of a claim or interest allowed under section 502 of this title may accept or reject a plan. If the United States is a creditor or equity security holder, the Secretary of the Treasury may accept or reject the plan on behalf of the United States.

(b) For the purposes of subsections (c) and (d) of this section, a holder of a claim or interest that has accepted or rejected the plan before the commencement of the case under this title is deemed to have accepted or rejected such plan, as the case may be, if—

(1) the solicitation of such acceptance or rejection was in compliance with any applicable nonbankruptcy law, rule, or regulation governing the adequacy of disclosure in connection with such solicitation; or

(2) if there is not any such law, rule, or regulation, such acceptance or rejection was solicited after disclosure to such holder of adequate information, as defined in section 1125(a)(1) of this title.

(c) A class of claims has accepted a plan if such plan has been accepted by creditors, other than any entity designated under subsection (e) of this section, that hold at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors, other than any entity designated under subsection (e) of this section, that have accepted or rejected such plan.

(d) A class of interests has accepted a plan if such plan has been accepted by holders of such interests other than any entity designated under subsection (e) of this section, that hold at least two-thirds in amount of the allowed interests of such class held by holders of such interests, other than any entity designated under subsection (e) of this section, that have accepted or rejected such plan.

(e) On request of a party in interest, and after notice and a hearing, the court may designate any entity whose acceptance or rejection of such plan was not in good faith, or was not solicited or procured in good faith or in accordance with the provisions of this title. Notice and hearing.

(f) Notwithstanding any other provision of this section, a class that is not impaired under a plan is deemed to have accepted the plan, and solicititation of acceptances with respect to such class from the holders of claims or interest of such class is not required.

(g) Notwithstanding any other provision of this section, a class is deemed not to have accepted a plan if such plan provides that the claims or interests of such class do not entitle the holders of such claims or interests to any payment or compensation under the plan on account of such claims or interests.

§ 1127. Modification of plan 11 USC 1127.

(a) The proponent of a plan may modify such plan at any time before confirmation, but may not modify such plan so that such plan as modified fails to meet the requirements of sections 1122 and 1123 of this title. After the proponent files a modification with the court, the plan as modified becomes the plan.

(b) The proponent of a plan or the reorganized debtor may modify such plan at any time after confirmation of such plan and before substantial consummation of such plan, but may not modify such plan so that such plan as modified fails to meet the requirements of sections 1122 and 1123 of this title. Such plan as modified under this subsection becomes the plan only if the court, after notice and a hearing, confirms such plan, as modified, under section 1129 of this title, and circumstances warrant such modification.

(c) The proponent of a modification shall comply with section 1125 of this title with respect to the plan as modified.

(d) Any holder of a claim or interest that has accepted or rejected a plan is deemed to have accepted or rejected, as the case may be, such plan as modified, unless, within the time fixed by the court, such holder changes such holder's previous acceptance or rejection.

§ 1128. Confirmation hearing 11 USC 1128.

(a) After notice, the court shall hold a hearing on confirmation of a plan.

(b) A party in interest may object to confirmation of a plan.

§ 1129. Confirmation of plan 11 USC 1129.

(a) The court shall confirm a plan only if all of the following requirements are met:

(1) The plan complies with the applicable provisions of this chapter.

(2) The proponent of the plan complies with the applicable provisions of this chapter.

(3) The plan has been proposed in good faith and not by any means forbidden by law.

(4)(A) Any payment made or promised by the proponent, by the debtor, or by a person issuing securities or acquiring property

under the plan, for services or for costs and expenses in, or in connection with, the case, or in connection with the plan and incident to the case, has been disclosed to the court; and

(B) (i) any such payment made before confirmation of the plan is reasonable; or

(ii) if such payment is to be fixed after confirmation of the plan, such payment is subject to the approval of the court as reasonable.

(5) (A) (i) The proponent of the plan has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the plan, as a director, officer, or voting trustee of the debtor, an affiliate of the debtor participating in a joint plan with the debtor, or a successor to the debtor under the plan; and

(ii) the appointment to, or continuance in, such office of such individual, is consistent with the interests of creditors and equity security holders and with public policy.

(B) The proponent of the plan has disclosed the identity of any insider that will be employed or retained by the reorganized debtor, and the nature of any compensation for such insider.

(6) Any regulatory commission with jurisdiction, after confirmation of the plan, over the rates of the debtor has approved any rate change provided for in the plan, or such rate change is expressly conditioned on such approval.

(7) With respect to each class—

(A) each holder of a claim or interest of such class—

(i) has accepted the plan; or

(ii) will receive or retain under the plan on account of such claim or interest property of a value, as of the effective date of the plan, that is not less than the amount that such holder would so receive or retain if the debtor were liquidated under chapter 7 of this title on such date; or

Ante, p. 2603.

(B) if section 1111(b)(2) of this title applies to the claims of such class, each holder of a claim of such class will receive or retain under the plan on account of such claim property of a value, as of the effective date of the plan, that is not less than the value of such creditor's interest in the estate's interest in the property that secures such claims.

(8) With respect to each class—

(A) such class has accepted the plan; or

(B) such class is not impaired under the plan.

(9) Except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides that—

(A) with respect to a claim of a kind specified in section 507(a)(1) or 507(a)(2) of this title, on the effective date of the plan, the holder of such claim will receive on account of such claim cash equal to the allowed amount of such claim;

Ante, p. 2583.

(B) with respect to a class of claims of a kind specified in section 507(a)(3), 507(a)(4), or 507(a)(5) of this title, each holder of a claim of such class will receive—

(i) if such class has accepted the plan, deferred cash payments of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or

(ii) if such class has not accepted the plan, cash on the effective date of the plan equal to the allowed amount of such claim; and

(C) with respect to a claim of a kind specified in section 507(a)(6) of this title, the holder of such claim will receive

on account of such claim deferred cash payments, over a period not exceeding six years after the date of assessment of such claim, of a value, as of the effective date of the plan, equal to the allowed amount of such claim.

(10) At least one class of claims has accepted the plan, determined without including any acceptance of the plan by any insider holding a claim of such class.

(11) Confirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is proposed in the plan.

(b)(1) Notwithstanding section 510(a) of this title, if all of the applicable requirements of subsection (a) of this section other than paragraph (8) are met with respect to a plan, the court, on request of the proponent of the plan, shall confirm the plan notwithstanding the requirements of such paragraph if the plan does not discriminate unfairly, and is fair and equitable, with respect to each class of claims or interests that is impaired under, and has not accepted, the plan. *Ante*, p. 2586.

(2) For the purpose of this subsection, the condition that a plan be fair and equitable with respect to a class includes the following requirements:

(A) With respect to a class of secured claims, the plan provides—

(i)(I) that the holders of such claims retain the lien securing such claims, whether the property subject to such lien is retained by the debtor or transferred to another entity, to the extent of the allowed amount of such claims; and

(II) that each holder of a claim of such class receive on account of such claim deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the effective date of the plan, of at least the value of such holder's interest in the estate's interest in such property;

(ii) for the sale, subject to section 363(k) of this title, of any property that is subject to the lien securing such claims, free and clear of such lien, with such lien to attach to the proceeds of such sale, and the treatment of such lien on proceeds under clause (i) or (iii) of this subparagraph; or *Ante*, p. 2572.

(iii) for the realization by such holders of the indubitable equivalent of such claims.

(B) With respect to a class of unsecured claims—

(i) the plan provides that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or

(ii) the holder of any claim or interest that is junior to the claims of such class will not receive or retain on account of such junior claim or interest any property.

(C) With respect to a class of interests—

(i) the plan provides that each holder of an interest of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled, and the value of such interest; or

(ii) the holder of any interest that is junior to the interests of such class will not receive or retain under the plan on account of such junior interest any property.

(c) Notwithstanding subsections (a) and (b) of this section and except as provided in section 1127(b) of this title, the court may confirm only one plan, unless the order of confirmation in the case has been revoked under section 1144 of this title. If the requirements of subsections (a) and (b) of this section are met with respect to more than one plan, the court shall consider the preferences of creditors and equity security holders in determining which plan to confirm.

(d) Notwithstanding any other provision of this section, on request of a party in interest that is a governmental unit, the court may not confirm a plan if the principal purpose of the plan is the avoidance of taxes or the avoidance of section 5 of the Securities Act of 1933 (15 U.S.C. 77e).

SUBCHAPTER III—POSTCONFIRMATION MATTERS

11 USC 1141.

§ 1141. Effect of confirmation

(a) Except as provided in subsections (d)(2) and (d)(3) of this section, the provisions of a confirmed plan bind the debtor, any entity issuing securities under the plan, any entity acquiring property under the plan, and any creditor or equity security holder of, or general partner in, the debtor, whether or not the claim or interest of such creditor, equity security holder, or general partner is impaired under the plan and whether or not such creditor, equity security holder, or general partner has accepted the plan.

(b) Except as otherwise provided in the plan or the order confirming the plan, the confirmation of a plan vests all of the property of the estate in the debtor.

(c) After confirmation of a plan, the property dealt with by the plan is free and clear of all claims and interests of creditors, of equity security holders, and of general partners in the debtor, except as otherwise provided in the plan or in the order confirming the plan.

(d)(1) Except as otherwise provided in this subsection, in the plan, or in the order confirming the plan, the confirmation of a plan—

(A) discharges the debtor from any debt that arose before the date of such confirmation, and any debt of a kind specified in section 502(g), 502(h), or 502(i) of this title, whether or not—

Ante, p. 2579.

(i) a proof of the claim based on such debt is filed or deemed filed under section 501 of this title;

Ante, p. 2578.

(ii) such claim is allowed under section 502 of this title; or

(iii) the holder of such claim has accepted the plan; and

(B) terminates all rights and interests of equity security holders and general partners provided for by the plan.

(2) The confirmation of a plan does not discharge an individual debtor from any debt excepted from discharge under section 523 of this title.

Ante, p. 2590.

(3) The confirmation of a plan does not discharge a debtor if—

(A) the plan provides for the liquidation of all or substantially all of the property of the estate;

(B) the debtor does not engage in business after consummation of the plan; and

(C) the debtor would be denied a discharge under section 727(a) of this title if the case were a case under chapter 7 of this title.

Ante, p. 2609.

Waiver.

(4) The court may approve a written waiver of discharge executed by the debtor after the order for relief under this chapter.

§ 1142. Execution of plan 11 USC 1142.

(a) Notwithstanding any otherwise applicable nonbankruptcy law, rule, or regulation relating to financial condition, the debtor and any entity organized or to be organized for the purpose of carrying out the plan shall carry out the plan, and shall comply with any orders of the court.

(b) The court may direct the debtor and any other necessary party to execute or deliver or to join in the execution or delivery of any instrument required to effect a transfer of property dealt with by confirmed plan, and to perform any other act, including the satisfaction of any lien, that is necessary for the consummation of the plan.

§ 1143. Distribution 11 USC 1143.

If a plan requires presentment or surrender of a security or the performance of any other act as a condition to participation in distribution under the plan, such action shall be taken not later than five years after the date of the entry of the order of confirmation. Any entity that has not within such time presented or surrendered such entity's security or taken any such other action that the plan requires may not participate in distribution under the plan.

§ 1144. Revocation of an order of confirmation 11 USC 1144.

On request of a party in interest at any time before 180 days after the date of the entry of the order of confirmation, and after notice and a hearing, the court may revoke such order if such order was procured by fraud. An order under this section revoking an order of confirmation shall—

(1) contain such provisions as are necessary to protect any entity acquiring rights in good faith reliance on the order of confirmation; and

(2) revoke the discharge of the debtor.

§ 1145. Exemption from securities laws 11 USC 1145.

(a) Except with respect to an entity that is an underwriter as defined in subsection (b) of this section, section 5 of the Securities Act of 1933 (15 U.S.C. 77e) and any State or local law requiring registration for offer or sale of a security or registration or licensing of an issuer of, underwriter of, or broker or dealer in, a security does not apply to—

(1) the offer or sale under a plan of a security of the debtor, of an affiliate participating in a joint plan with the debtor, or of a successor to the debtor under the plan—

(A) in exchange for a claim against, an interest in, or a claim for an administrative expense in the case concerning, the debtor or such affiliate; or

(B) principally in such exchange and partly for cash or property;

(2) the offer of a security through any warrant, option, right to subscribe, or conversion privilege that was sold in the manner specified in paragraph (1) of this subsection, or the sale of a security upon the exercise of such a warrant, option, right, or privilege;

(3) the offer or sale, other than under a plan, of a security of an issuer other than the debtor or an affiliate, if—

(A) such security was owned by the debtor on the date of the filing of the petition;

(B) the issuer of such security is—

(i) required to file reports under section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

(ii) in compliance with all applicable requirements for the continuance of trading in such security on the date of such offer or sale; and

(C) such offer or sale is of securities that do not exceed—

(i) during the two-year period immediately following the date of the filing of the petition, four percent of the securities of such class outstanding on such date; and

(ii) during any 180-day period following such two-year period, one percent of the securities outstanding at the beginning of such 180-day period; or

(4) a transaction by a stockholder in a security that is executed after a transaction of a kind specified in paragraph (1) or (2) of this subsection in such security and before the expiration of 40 days after the first date on which such security was bona fide offered to the public by the issuer or by or through an underwriter, if such stockbroker provides, at the time of or before such transaction by such stockholder, a disclosure statement approved under section 1125 of this title, and, if the court orders, information supplementing such disclosure statement.

(b)(1) Except as provided in paragraph (2) of this subsection, an entity is an underwriter under section 2(11) of the Securities Act of 1933 (15 U.S.C. 77b(11)), if such entity—

(A) purchases a claim against, interest in, or claim for an administrative expense in the case concerning, the debtor, if such purchase is with a view to distribution of any security received or to be received in exchange for such a claim or interest;

(B) offers to sell securities offered or sold under the plan for the holders of such securities;

(C) offers to buy securities offered or sold under the plan for the holders of such securities, if such offer to buy is—

(i) with a view to distribution of such securities; and

(ii) under an agreement made in connection with the plan, with the consummation of the plan, or with the offer or sale of securities under the plan; or

(D) is an issuer, as used in such section 2(11), with respect to such securities.

(2) An entity is not an underwriter under section 2(11) of the Securities Act of 1933 or under paragraph (1) of this subsection with respect to an agreement that provides only for—

(A)(i) the matching combination of fractional interests in securities offered or sold under the plan into whole interests; or

(ii) the purchase or sale of such fractional interests among entities receiving such fractional interests under the plan; or

(B) the purchase or sale for such entities of such fractional or whole interests as are necessary to adjust for any remaining fractional interests after such matching.

(3) An entity other than an entity of the kind specified in paragraph (1) of this subsection is not an underwriter under section 2(11) of the Securities Act of 1933 with respect to any securities offered or sold to such entity in the manner specified in subsection (a)(1) of this section.

(c) An offer or sale of securities of the kind and in the manner specified under subsection (a)(1) of this section is deemed to be a public offering.

(d) The Trust Indenture Act of 1939 (15 U.S.C. 77aaa et seq.) does not apply to a commercial note issued under the plan that matures not later than one year after the effective date of the plan.

§ 1146. Special tax provisions 11 USC 1146.

(a) For the purposes of any State or local law imposing a tax on or measured by income, the taxable period of a debtor that is an individual shall terminate on the date of the order for relief under this chapter, unless the case was converted under section 706 of this title. *Ante*, p. 2606.

(b) The trustee shall make a State or local tax return of income for the estate of an individual debtor in a case under this chapter for each taxable period after the order for relief under this chapter during which the case is pending.

(c) The issuance, transfer, or exchange of a security, or the making or delivery of an instrument of transfer under a plan confirmed under section 1129 of this title, may not be taxed under any State or local law imposing a stamp tax or similar tax.

(d) The court may authorize the proponent of a plan to request a determination, limited to questions of law, by a State or local governmental unit charged with responsibility for collection or determination of a tax on or measured by income, of the tax effects, under section 346 of this title and under the law imposing such tax, of the plan. In the event of an actual controversy, the court may declare such effects after the earlier of— *Ante*, p. 2565.

(1) the date on which such governmental unit responds to the request under this subsection; and

(2) 270 days after such request.

SUBCHAPTER IV—RAILROAD REORGANIZATION

§ 1161. Inapplicability of other sections 11 USC 1161.

Sections 341, 343, 1102(a)(1), 1104, 1105, 1107, 1129(a)(7), and 1129(c) of this title do not apply in a case concerning a railroad. *Ante*, pp. 2564, 2565.

§ 1162. Definition 11 USC 1162.

In this subchapter, "Commission" means Interstate Commerce Commission.

§ 1163. Appointment of trustee 11 USC 1163.

As soon as practicable after the order for relief, the Secretary of Transportation shall submit a list of five disinterested persons that are qualified and willing to serve as trustee in the case. The court shall appoint one of such persons to serve as trustee in the case.

§ 1164. Right to be heard 11 USC 1164.

The Commission, the Department of Transportation, and any State or local commission having regulatory jurisdiction over the debtor may raise and may appear and be heard on any issue in a case under this chapter, but may not appeal from any judgment, order, or decree entered in the case.

§ 1165. Protection of the public interest 11 USC 1165.

In applying sections 1166, 1167, 1169, 1170, 1171, 1172, 1173, and 1174 of this title, the court and the trustee shall consider the public interest in addition to the interests of the debtor, creditors, and equity security holders.

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11 USC 1166.

§ 1166. Effect of Interstate Commerce Act and of Federal, State, or local regulations

Except with respect to abandonment under section 1170 of this title, or merger, modification of the financial structure of the debtor, or issuance or sale of securities under a plan, the trustee and the debtor are subject to the provisions of the Interstate Commerce Act (49 U.S.C. 1 et seq.) that are applicable to railroads, and the trustee is subject to orders of any Federal, State, or local regulatory body to the same extent as the debtor would be if a petition commencing the case under this chapter had not been filed, but—

(1) any such order that would require the expenditure, or the incurring of an obligation for the expenditure, of money from the estate is not effective unless approved by the court; and

(2) the provisions of this chapter are subject to section 601(b) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 791(b)).

11 USC 1167.

§ 1167. Collective bargaining agreements

Ante, p. 2574.

Notwithstanding section 365 of this title, neither the court nor the trustee may change the wages or working conditions of employees of the debtor established by a collective bargaining agreement that is subject to the Railway Labor Act (45 U.S.C. 151 et seq.) except in accordance with section 6 of such Act (45 U.S.C. 156).

11 USC 1168.

§ 1168. Rolling stock equipment

(a) The right of a secured party with a purchase-money equipment security interest in, or of a lessor or conditional vendor of, whether as trustee or otherwise, rolling stock equipment or accessories used on such equipment, including superstructures and racks, that are subject to a purchase-money equipment security interest granted by, leased to, or conditionally sold to, the debtor to take possession of such equipment in compliance with the provisions of a purchase-money equipment security agreement, lease, or conditional sale contract, as the case may be, is not affected by section 362 or 363 of this title or by any power of the court to enjoin such taking of possession, unless—

Ante, pp. 2570, 2572.

(1) before 60 days after the date of the commencement of a case under this chapter, the trustee, subject to the court's approval, agrees to perform all obligations of the debtor under such security agreement, lease, or conditional sale contract, as the case may be; and

(2) any default, other than a default of a kind specified in section 365(b)(2) of this title, under such security agreement, lease, or conditional sale contract, as the case may be—

Ante, p. 2574.

(A) that occurred before such date and is an event of default therewith is cured before the expiration of such 60-day period; and

(B) that occurs or becomes an event of default after such date is cured before the later of—

(i) 30 days after the date of such default or event of default; and

(ii) the expiration of such 60-day period.

(b) The trustee and the secured party, lessor, or conditional vendor, as the case may be, whose right to take possession is protected under subsection (a) of this section, may agree, subject to the court's approval to extend the 60-day period specified in subsection (a)(1) of this section.

§ 1169. Effect of rejection of lease of railroad line

11 USC 1169.

(a) Except as provided in subsection (b) of this section, if a lease of a line of railroad under which the debtor is the lessee is rejected under section 365 of this title, and if the trustee, within such time as the court fixes, and with the court's approval, elects not to operate the leased line, the lessor under such lease, after such approval, shall operate the line.

Ante, p. 2574.

(b) If operation of such line by such lessor is impracticable or contrary to the public interest, the court, on request of such lessor, and after notice and a hearing, shall order the trustee to continue operation of such line for the account of such lessor until abandonment is ordered under section 1170 of this title, or until such operation is otherwise lawfully terminated, whichever occurs first.

Notice and hearing.

(c) During any such operation, such lessor is deemed a carrier subject to the provisions of the Interstate Commerce Act (49 U.S.C. 1 et seq.) that are applicable to railroads.

§ 1170. Abandonment of railroad line

11 USC 1170.

(a) The court, after notice and a hearing, may authorize the abandonment of a railroad line if such abandonment is—

Notice and hearing.

(1)(A) in the best interest of the estate; or

(B) essential to the formulation of a plan; and

(2) consistent with the public interest.

(b) If, except for the pendency of the case under this chapter, such abandonment would require approval by the Commission under a law of the United States, the trustee shall initiate an appropriate application for such abandonment with the Commission. The court may fix a time within which the Commission shall report to the court on such application.

(c) After the court receives the report of the Commission, or the expiration of the time fixed under subsection (b) of this section, whichever occurs first, the court may authorize such abandonment after notice to the Commission, the Secretary of Transportation, the trustee, any party in interest that has requested notice, any affected shipper or community, and any other entity prescribed by the court, and a hearing.

(d)(1) Enforcement of an order authorizing such abandonment shall be stayed until the time for taking an appeal has expired, or, if an appeal is timely taken, until such order has become final.

(2) If an order authorizing the abandonment of a railroad line is appealed, the court, on request of a party in interest, may authorize termination of service on a line or a portion of a line pending the determination of such appeal, after notice to the Commission, the Secretary of Transportation, the trustee, any party in interest that has requested notice, any affected shipper or community, and any other entity prescribed by the court, and a hearing. An appellant may not obtain a stay of the enforcement of an order authorizing such termination by the giving of a supersedeas bond or otherwise, during the pendency of such appeal.

§ 1171. Priority claims

11 USC 1171.

(a) There shall be paid as an administrative expense any claim of an individual or of the personal representative of a deceased individual against the debtor or the estate, for personal injury to or death of such individual arising out of the operation of the debtor or the estate, whether such claim arose before or after the commencement of the case.

(b) Any unsecured claim against the debtor that would have been entitled to priority if a receiver in equity of the property of the debtor

had been appointed by a Federal court on the date of the order for relief under this title shall be entitled to such priority in the case under this chapter.

11 USC 1172.

§ 1172. Contents of plan

(a) In addition to the provisions required or permitted under section 1123 of this title, a plan—

(1) shall specify the extent to and the means by which the debtor's rail service is proposed to be continued, and the extent to which any of the debtor's rail service is proposed to be terminated; and

(2) may include a provision for—

(A) the transfer of any or all of the operating railroad lines of the debtor to another operating railroad; or

(B) abandonment of any railroad line in accordance with section 1170 of this title.

(b) If, except for the pendency of the case under this chapter, transfer of, or operation of or over, any of the debtor's rail lines by an entity other than the debtor or a successor to the debtor under the plan would require approval by the Commission under a law of the United States, then a plan may not propose such a transfer or such operation unless the proponent of the plan initiates an appropriate application for such a transfer or such operation with the Commission and, within such time as the court may fix, not exceeding 180 days, the Commission, with or without a hearing, as the Commission may determine, and with or without modification or condition, approves such application, or does not act on such application. Any action or order of the Commission approving, modifying, conditioning, or disapproving such application is subject to review by the court only under sections 706(2)(A), 706(2)(B), 706(2)(C), and 706(2)(D) of title 5.

11 USC 1173.

§ 1173. Confirmation of plan

(a) The court shall confirm a plan if—

(1) the applicable requirements of section 1129 of this title have been met;

(2) each creditor or equity security holder will receive or retain under the plan property of a value, as of the effective date of the plan, that is not less than the value of property that each such creditor or equity security holder would so receive or retain if all of the operating railroad lines of the debtor were sold, and the proceeds of such sale, and the other property of the estate, were distributed under chapter 7 of this title on such date;

Ante, p. 2603.

(3) in light of the debtor's past earnings and the probable prospective earnings of the reorganized debtor, there will be adequate coverage by such prospective earnings of any fixed charges, such as interest on debt, amortization of funded debt, and rent for leased railroads, provided for by the plan; and

(4) the plan is compatible with the public interest.

(b) If the requirements of subsection (a) of this section are met with respect to more than one plan, the court shall confirm the plan that is most likely to maintain adequate rail service in the public interest.

11 USC 1174.

§ 1174. Liquidation

Notice and hearing.

On request of a party in interest and after notice and a hearing, the court may, or, if a plan has not been confirmed under section 1173 of this title before five years after the date of the order for relief, the court shall, order the trustee to cease the debtor's operation and to collect and reduce to money all of the property of the estate in the same manner as if the case were a case under chapter 7 of this title.

CHAPTER 13—ADJUSTMENT OF DEBTS OF AN INDIVIDUAL WITH REGULAR INCOME

SUBCHAPTER I—OFFICERS, ADMINISTRATION, AND THE ESTATE

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SUBCHAPTER I—OFFICERS, ADMINISTRATION, AND THE ESTATE

§ 1301. Stay of action against codebtor

11 USC 1301.

(a) Except as provided in subsections (b) and (c) of this section, after the order for relief under this chapter, a creditor may not act, or commence or continue any civil action, to collect all or any part of a consumer debt of the debtor from any individual that is liable on such debt with the debtor, or that secured such debt, unless—

(1) such individual became liable on or secured such debt in the ordinary course of such individual's business; or

(2) the case is closed, dismissed, or converted to a case under chapter 7 or 11 of this title.

Ante, pp. 2603, 2625.

(b) A creditor may present a negotiable instrument, and may give notice of dishonor of such an instrument.

(c) On request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided by subsection (a) of this section with respect to a creditor, to the extent that—

Notice and hearing.

(1) as between the debtor and the individual protected under subsection (a) of this section, such individual received the consideration for the claim held by such creditor;

(2) the plan filed by the debtor proposes not to pay such claim; or

(3) such creditor's interest would be irreparably harmed by such stay.

§ 1302. Trustee

11 USC 1302.

(a) If the court has appointed an individual under subsection (d) of this section to serve as standing trustee in cases under this chapter and if such individual qualifies under section 322 of this title, then such individual shall serve as trustee in the case. Otherwise, the court shall appoint a person to serve as trustee in the case.

Ante, p. 2562.

(b) The trustee shall—

(1) perform the duties specified in sections 704(2), 704(3), 704(4), 704(5), 704(6), and 704(8) of this title;

Ante, p. 2605.

(2) appear and be heard at any hearing that concerns—
(A) the value of property subject to a lien;
(B) confirmation of a plan; or
(C) modification of the plan after confirmation; and
(3) advise, other than on legal matters, and assist the debtor in performance under the plan.

(c) If the debtor is engaged in business, then in addition to the duties specified in subsection (b) of this section, the trustee shall perform the duties specified in sections 1106(a)(3) and 1106(a)(4) of this title.

(d) If the number of cases under this chapter commenced in a particular judicial district so warrant, the court may appoint one or more individuals to serve as standing trustee for such district in cases under this chapter.

(e)(1) A court that has appointed an individual under subsection (d) of this section to serve as standing trustee in cases under this chapter shall fix—

(A) a maximum annual compensation for such individual, not to exceed the lowest annual rate of basic pay in effect for grade GS-16 of the General Schedule prescribed under section 5332 of title 5; and

(B) a percentage fee, not to exceed ten percent, based on such maximum annual compensation and the actual, necessary expenses incurred by such individual as standing trustee.

(2) Such individual shall collect such percentage fee from all payments under plans in the cases under this chapter for which such individual serves as standing trustee. Such individual shall pay annually to the Treasury—

(A) any amount by which the actual compensation of such individual exceeds five percent upon all payments under plans in cases under this chapter for which such individual serves as standing trustee; and

(B) any amount by which the percentage fee fixed under paragraph (1)(B) of this subsection for all such cases exceeds—

(i) such individual's actual compensation for such cases, as adjusted under subparagraph (A) of this paragraph; plus

(ii) the actual, necessary expenses incurred by such individual as standing trustee in such cases.

11 USC 1303.

§ 1303. Rights and powers of debtor

Subject to any limitations on a trustee under this chapter, the debtor shall have, exclusive of the trustee, the rights and powers of a trustee under sections 363(b), 363(d), 363(e), 363(f), and 363(l), of this title.

Ante, p. 2572.

11 USC 1304.

§ 1304. Debtor engaged in business

(a) A debtor that is self-employed and incurs trade credit in the production of income from such employment is engaged in business.

(b) Unless the court orders otherwise, a debtor engaged in business may operate the business of the debtor, and, subject to any limitations on a trustee under sections 363(c) and 364 of this title and to such limitations or conditions as the court prescribes, shall have, exclusive of the trustee, the rights and powers of the trustee under such sections.

Ante, pp. 2572, 2574.

(c) A debtor engaged in business shall perform the duties of the trustee specified in section 704(7) of this title.

Ante, p. 2605.

§ 1305. Filing and allowance of postpetition claims 11 USC 1305.

(a) A proof of claim may be filed by any entity that holds a claim against the debtor—

(1) for taxes that become payable to a governmental unit while the case is pending; or

(2) that is a consumer debt, that arises after the date of the order for relief under this chapter, and that is for property or services necessary for the debtor's performance under the plan.

(b) Except as provided in subsection (c) of this section, a claim filed under subsection (a) of this section shall be allowed or disallowed under section 502 of this title, but shall be determined as of the date such claim arises, and shall be allowed under section 502(a), 502(b), or 502(c) of this title, or disallowed under section 502(d) or 502(e) of this title, the same as if such claim had arisen before the date of the filing of the petition. *Ante*, p. 2579.

(c) A claim filed under subsection (a)(2) of this section shall be disallowed if the holder of such claim knew or should have known that prior approval by the trustee of the debtor's incurring the obligation was practicable and was not obtained.

§ 1306. Property of the estate 11 USC 1306.

(a) Property of the estate includes, in addition to the property specified in section 541 of this title— *Ante*, p. 2594.

(1) all property of the kind specified in such section that the debtor acquires after the commencement of the case but before the case is closed, dismissed, or converted to a case under chapter 7 or 11 of this title, whichever occurs first; and *Ante*, pp. 2603, 2625.

(2) earnings from services performed by the debtor after the commencement of the case but before the case is closed, dismissed, or converted to a case under chapter 7 or 11 of this title, whichever occurs first.

(b) Except as provided in a confirmed plan or order confirming a plan, the debtor shall remain in possession of all property of the estate.

§ 1307. Conversion or dismissal 11 USC 1307.

(a) The debtor may convert a case under this chapter to a case under chapter 7 of this title at any time. Any waiver of the right to convert under this subsection is unenforceable.

(b) On request of the debtor at any time if the case has not been converted under section 706 or 1112 of this title, the court shall dismiss a case under this chapter. Any waiver of the right to dismiss under this subsection is unenforceable. *Ante*, p. 2606.

(c) Except as provided in subsection (e) of this section, on request of a party in interest and after notice and a hearing, the court may convert a case under this chapter to a case under chapter 7 of this title, or may dismiss a case under this chapter, whichever is in the best interests of creditors and the estate, for cause, including— Notice and hearing.

(1) unreasonable delay by the debtor that is prejudicial to creditors;

(2) nonpayment of any fees and charges required under chapter 123 of title 28;

(3) failure to file a plan timely under section 1321 of this title;

(4) denial of confirmation of a plan under section 1325 of this title and denial of additional time for filing another plan or a modification of a plan;

(5) material default by the debtor with respect to a term of a confirmed plan;

(6) revocation of the order of confirmation under section 1330 of this title, and denial of confirmation of a modified plan under section 1329 of this title; and

(7) termination of a confirmed plan by reason of the occurrence of a condition specified in the plan.

(d) Except as provided in subsection (e) of this section, at any time before the confirmation of a plan under section 1325 of this title, on request of a party in interest and after notice and a hearing, the court may convert a case under this chapter to a case under chapter 11 of this title.

Ante, p. 2625.

(e) The court may not convert a case under this chapter to a case under chapter 7 or 11 of this title if the debtor is a farmer, unless the debtor requests such conversion.

Ante, p. 2603.

(f) Notwithstanding any other provision of this section, a case may not be converted to a case under another chapter of this title unless the debtor may be a debtor under such chapter.

SUBCHAPTER II—THE PLAN

11 USC 1321.

§ 1321. Filing of plan

The debtor shall file a plan.

11 USC 1322.

§ 1322. Contents of plan

(a) The plan shall—

(1) provide for the submission of all or such portion of future earnings or other future income of the debtor to the supervision and control of the trustee as is necessary for the execution of the plan;

(2) provide for the full payment, in deferred cash payments of all claims entitled to priority under section 507 of this title, unless the holder of a particular claim agrees to a different treatment of such claim; and

Ante, p. 2583.

(3) if the plan classifies claims, provide the same treatment for each claim within a particular class.

(b) Subject to subsections (a) and (c) of this section, the plan may—

(1) designate a class or classes of unsecured claims, as provided in section 1122 of this title, but may not discriminate unfairly against any class so designated;

(2) modify the rights of holders of secured claims, other than a claim secured only by a security interest in real property that is the debtor's principal residence, or of holders of unsecured claims;

Default.

(3) provide for the curing or waiving of any default;

(4) provide for payments on any unsecured claim to be made concurrently with payments on any secured claim or any unsecured claim;

(5) notwithstanding paragraph (2) of this subsection, provide for the curing of any default within a reasonable time and maintenance of payments while the case is pending on any unsecured claim or secured claim on which the last payment is due after the date on which the final payment under the plan is due;

(6) provide for the payment of all or any part of any claim allowed under section 1305 of this title;

(7) provide for the assumption or rejection of any executory contract or unexpired lease of the debtor not previously rejected under section 365 of this title;

Ante, p. 2574.

(8) provide for the payment of all or any part of a claim against the debtor from property of the estate or property of the debtor;

(9) provide for the vesting of property of the estate, on confirmation of the plan or at a later time, in the debtor or in any other entity; and

(10) include any other appropriate provision not inconsistent with this title.

(c) The plan may not provide for payments over a period that is longer than three years, unless the court, for cause, approves a longer period, but the court may not approve a period that is longer than five years.

§ 1323. Modification of plan before confirmation 11 USC 1323.

(a) The debtor may modify the plan at any time before confirmation, but may not modify the plan so that the plan as modified fails to meet the requirements of section 1322 of this title.

(b) After the debtor files a modification under this section, the plan as modified becomes the plan.

(c) Any holder of a secured claim that has accepted or rejected the plan is deemed to have accepted or rejected, as the case may be, the plan as modified, unless the modification provides for a change in the rights of such holder from what such rights were under the plan before modification, and such holder changes such holder's previous acceptance or rejection.

§ 1324. Confirmation hearing 11 USC 1324.

After notice, the court shall hold a hearing on the confirmation of the plan. A party in interest may object to the confirmation of the plan.

§ 1325. Confirmation of plan 11 USC 1325.

(a) The court shall confirm a plan if—

(1) the plan complies with the provisions of this chapter and with other applicable provisions of this title;

(2) any fee, charge, or amount required under chapter 123 of title 28, or by the plan, to be paid before confirmation, has been paid; 28 USC 1911 *et seq.*

(3) the plan has been proposed in good faith and not by any means forbidden by law;

(4) the value, as of the effective date of the plan, of property to be distributed under the plan on account of each allowed unsecured claim is not less than the amount that would be paid on such claim if the estate of the debtor were liquidated under chapter 7 of this title on such date; *Ante*, p. 2603.

(5) with respect to each allowed secured claim provided for by the plan—

(A) the holder of such claim has accepted the plan;

(B)(i) the plan provides that the holder of such claim retain the lien securing such claim; and

(ii) the value, as of the effective date of the plan, of property to be distributed under the plan on account of such claim is not less than the allowed amount of such claim; or

(C) the debtor surrenders the property securing such claim to such holder; and

(6) the debtor will be able to make all payments under the plan and to comply with the plan.

(b) After confirmation of a plan, the court may order any entity from whom the debtor receives income to pay all or any part of such income to the trustee.

11 USC 1326.

§ 1326. Payments

(a) Before or at the time of each payment to creditors under the plan, there shall be paid—

Ante, p. 2583.

(1) any unpaid claim of the kind specified in section 507(a)(1) of this title; and

(2) if a standing trustee appointed under section 1302(d) is serving in the case, the percentage fee fixed for such standing trustee under section 1302(e) of this title.

(b) Except as otherwise provided in the plan or in the order confirming the plan, the trustee shall make payments to creditors under the plan.

11 USC 1327.

§ 1327. Effect of confirmation

(a) The provisions of a confirmed plan bind the debtor and each creditor, whether or not the claim of such creditor is provided for by the plan, and whether or not such creditor has objected to, has accepted, or has rejected the plan.

(b) Except as otherwise provided in the plan or the order confirming the plan, the confirmation of a plan vests all of the property of the estate in the debtor.

(c) Except as otherwise provided in the plan or in the order confirming the plan, the property vesting in the debtor under subsection (b) of this section is free and clear of any claim or interest of any creditor provided for by the plan.

11 USC 1328.

§ 1328. Discharge

(a) As soon as practicable after completion by the debtor of all payments under the plan, unless the court approves a written waiver of discharge executed by the debtor after the order for relief under this chapter, the court shall grant the debtor a discharge of all debts provided for by the plan or disallowed under section 502 of this title, except any debt—

Ante, p. 2579.

(1) provided for under section 1322(b)(5) of this title; or

Ante, p. 2590.

(2) of the kind specified in section 523(a)(5) of this title.

Notice and hearing.

(b) At any time after the confirmation of the plan and after notice and a hearing, the court may grant a discharge to a debtor that has not completed payments under the plan only if—

(1) the debtor's failure to complete such payments is due to circumstances for which the debtor should not justly be held accountable;

(2) the value, as of the effective date of the plan, of property actually distributed under the plan on account of each allowed unsecured claim is not less than the amount that would have been paid on such claim if the estate of the debtor had been liquidated under chapter 7 of this title on such date; and

Ante, p. 2603.

(3) modification of the plan under section 1329 of this title is not practicable.

(c) A discharge granted under subsection (b) of this section discharges the debtor from all unsecured debts provided for by the plan or disallowed under section 502 of this title, except any debt—

(1) provided for under section 1322(b)(5) of this title; or

(2) of a kind specified in section 523(a) of this title.

(d) Notwithstanding any other provision of this section, a discharge granted under this section does not discharge the debtor from any debt based on an allowed claim filed under section 1305(a)(2) of this title if prior approval by the trustee of the debtor's incurring such debt was practicable and was not obtained.

Notice and hearing.

(e) On request of a party in interest before one year after a discharge under this section is granted, and after notice and a hearing, the court may revoke such discharge only if—

(1) such discharge was obtained through fraud; and

(2) knowledge of such fraud came to the requesting party after such discharge was granted.

11 USC 1329.

§ 1329. Modification of plan after confirmation

(a) At any time after confirmation but before the completion of payments under a plan, the plan may be modified to—

(1) increase or reduce the amount of payments on claims of a particular class provided for by the plan;

(2) extend or reduce the time for such payments; or

(3) alter the amount of the distribution to a creditor whose claim is provided for by the plan, to the extent necessary to take account of any payment of such claim other than under the plan.

(b)(1) Sections 1322(a), 1322(b), and 1323(c) of this title and the requirements of section 1325(a) of this title apply to any modification under subsection (a) of this section.

Notice and hearing.

(2) The plan as modified becomes the plan unless, after notice and a hearing, such modification is disapproved.

(c) A plan modified under this section may not provide for payments over a period that expires after three years after the time that the first payment under the original confirmed plan was due, unless the court, for cause, approves a longer period, but the court may not approve a period that expires after five years after such time.

11 USC 1330.

§ 1330. Revocation of an order of confirmation

Notice and hearing.

(a) On request of a party in interest at any time within 180 days after the date of the entry of an order of confirmation under section 1325 of this title, and after notice and a hearing, the court may revoke such order if such order was procured by fraud.

(b) If the court revokes an order of confirmation under subsection (a) of this section, the court shall dispose of the case under section 1307 of this title, unless, within the time fixed by the court, the debtor proposes and the court confirms a modification of the plan under section 1329 of this title.

CHAPTER 15—UNITED STATES TRUSTEES

Sec.

1501. Applicability of this chapter.

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SUBCHAPTER XIII—ADJUSTMENT OF DEBTS OF AN INDIVIDUAL WITH REGULAR INCOME

151302. Trustee.
151326. Payments.

11 USC 1501.

§ 1501. Applicability of chapter

This chapter applies only in cases under this title pending in the following districts:

(1) District of Maine, District of New Hampshire, District of Massachusetts, and District of Rhode Island.

(2) Southern District of New York.

(3) District of Delaware and District of New Jersey.

(4) Eastern District of Virginia and District of District of Columbia.

(5) Northern District of Alabama.

(6) Northern District of Texas.

(7) Northern District of Illinois.

(8) District of Minnesota, District of North Dakota, and District of South Dakota.

(9) Central District of California.

(10) District of Colorado and District of Kansas.

SUBCHAPTER I—GENERAL PROVISIONS

11 USC 15101.

§ 15101. Definitions

In this title—

(1) "entity" includes United States trustee; and

(2) "governmental unit" does not include United States trustee while serving as a trustee in a case under this title.

11 USC 15102.

§ 15102. Rule of construction

In this title, a reference to a section that is made inapplicable under section 15103(f) of this chapter refers to the section of this chapter that replaces such inapplicable section.

11 USC 15103.

§ 15103. Applicability of subchapters and sections

(a) Subchapters I and III of this chapter apply in a case under chapter 7, 11, or 13 of this title, except that section 15343 of this title does not apply in a case concerning a railroad.

Ante, pp. 2603, 2625.

(b) Subchapter VII of this chapter applies only in a case under chapter 7 of this title.

(c) Subchapter XI of this chapter applies only in a case under chapter 11 of this title that does not concern a railroad.

(d) Section 151163 of this title applies only in a case concerning a railroad.

(e) Subchapter XIII of this chapter applies only in a case under chapter 13 of this title.

(f) Sections 303(g), 322(b), 324, 326(b), 343, 345(b), 701(a), 703(b), 703(c), 704(8), 727(c), 727(d), 727(e), 1102(a), 1104, 1105, 1163, 1302(a), 1302(d), 1302(e), and 1326(a) of this title do not apply in a case under this title. *Ante*, pp. 2559, 2562, 2565, 2604, 2605, 2609, 2626–2628, 2641.

SUBCHAPTER III—CASE ADMINISTRATION

§ 15303. Involuntary cases 11 USC 15303.

At any time after the commencement of an involuntary case under chapter 7 of this title but before an order for relief in the case, the court, on request of a party in interest, after notice to the debtor and a hearing, and if necessary to preserve the property of the estate or to prevent loss to the estate, may order the United States trustee to appoint an interim trustee under section 15701 of this title to take possession of the property of the estate and to operate any business of the debtor. Before an order for relief, the debtor may regain possession of property in the possession of a trustee ordered appointed under this subsection if the debtor files such bond as the court requires, conditioned on the debtor's accounting for and delivering to the trustee if there is an order for relief in the case, such property, or the value, as of the date the debtor regains possession, of such property. Notice and hearing. *Ante*, p. 2603.

§ 15321. Eligibility to serve as trustee 11 USC 15321.

The United States trustee for the judicial district in which the case is pending is eligible to serve as trustee in the case.

§ 15322. Qualification of trustee 11 USC 15322.

(a) A United States trustee qualifies whenever such trustee serves in a case under this title.

(b) The United States trustee shall determine—

(1) the amount of a bond filed under section 322(a)(2); and *Ante*, p. 2562.

(2) the sufficiency of the surety on such bond.

§ 15324. Removal of trustee or examiner 11 USC 15324.

The court, after notice and a hearing, may remove a trustee other than the United States trustee, or an examiner, for cause. Notice and hearing.

§ 15326. Limitation on compensation of trustee 11 USC 15326.

In a case under chapter 13 of this title, the court may not allow compensation for services or reimbursement of expenses of the United States trustee or of a standing trustee appointed under section 586(b) of title 28, but may allow reasonable compensation under section 330 of this title of a trustee appointed under section 1302(a) of this title for the trustee's services, payable after the trustee renders such services, not to exceed five percent upon all payments under the plan. *Post*, p. 2663. *Ante*, p. 2564.

§ 15330. Compensation of officers 11 USC 15330.

In a case in which the United States trustee serves as trustee, the compensation of the trustee under section 330 of this title shall be paid to the clerk of the bankruptcy court, and by the clerk, into the Treasury.

§ 15343. Examination of the debtor 11 USC 15343.

The debtor shall appear and submit to examination under oath at the meeting of creditors under section 341(a) of this title. Creditors, any indenture trustee, any trustee or examiner in the case, or the United States trustee may examine the debtor. *Ante*, p. 2564.

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11 USC 15345.

§ 15345. Money of estates

(a) Except with respect to a deposit or investment that is insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States, the trustee shall require from an entity with which such money is deposited or invested—

(1) a bond—

(A) in favor of the United States;

(B) secured by the undertaking of a corporate surety approved by the United States trustee for the district in which the case is pending; and

(C) conditioned on—

(i) a proper accounting for all money so deposited or invested and for any return on such money;

(ii) prompt repayment of such money and return; and

(iii) faithful performance of duties as a depository; or

(2) the deposit of securities of the kind specified in section 15 of title 6.

(b) The United States trustee may aggregate money of estates for which such United States trustee serves as trustee for deposit or investment under this section, in order to increase the return on such money, taking into account the safety of such deposit or investment. The United States trustee shall maintain complete records identifying separately the money of each estate included in such an aggregation. Any return on any such deposit or investment shall be paid by the United States trustee into the Treasury.

SUBCHAPTER VII—LIQUIDATION

11 USC 15701.

§ 15701. Interim trustee

Ante, p. 2603.

(a) Promptly after the order for relief under chapter 7 of this title, the United States trustee shall appoint one disinterested person that is a member of the panel of private trustee established under section 586(a)(1) of title 28 or that was serving as trustee in the case immediately before the order for relief under this chapter to serve as interim trustee in the case.

(b) If none of such persons is willing to serve as interim trustee in the case, then the United States trustee shall serve as interim trustee in the case.

11 USC 15703.

§ 15703. Successor trustee

Ante, p. 2605.

(a) Pending election of a trustee under section 703(a) of this title, if necessary to preserve or prevent loss to the estate, the United States trustee may appoint an interim trustee in the manner specified in section 15701(a) of this title. Section 701(b) and 701(c) of this title apply to such interim trustee.

Ante, p. 2604.

(b) If creditors do not elect a successor trustee under section 703(a) of this title, or if a trustee is needed in a case reopened under section 350 of this title, then the United States truste shall serve, or shall appoint one disinterested person that is a member of the panel of private trustees established under section 586(a)(1) of title 28 to serve, as trustee in the case.

Ante, p. 2569.

Post, p. 2663.

§ 15704. Duties of trustee 11 USC 15704.

The trustee shall make a final report and file a final account of the administration of the estate with the court and with the United States trustee.

§ 15727. Discharge 11 USC 15727.

(a)(1) The trustee, a creditor, or the United States trustee may object to discharge under section 727(a) of this title.

(2) On request of a party in interest, the court may order the United States trustee to examine the acts and conduct of the debtor to determine whether a ground exists for denial of discharge.

(b) On request of the trustee, a creditor, or the United States trustee, and after notice and a hearing, the court shall revoke a discharge granted under section 727(a) of this title if— *Ante*, p. 2609.

(1) such discharge was obtained through the fraud of the debtor, and the requesting party did not know of such fraud until after the granting of such discharge;

(2) the debtor acquired property that is property of the estate, or became entitled to acquire property that would be property of the estate, and knowingly and fraudulently failed to report the acquisition of, or entitlement to, such property, or to deliver or surrender such property to the trustee; or

(3) the debtor committed an act specified in section 727(a)(6) of this title.

(c) The trustee, a creditor, or the United States trustee may request a revocation of a discharge—

(1) under section 727(d)(1) of this title within one year after such discharge was granted; or

(2) under section 727(d)(2) or 727(d)(3) of this title before the later of—

(A) one year after the granting of such discharge; and

(B) the date the case is closed.

SUBCHAPTER XI—REORGANIZATION

§ 151102. Creditors' and equity security holders' committees 11 USC 151102.

(a) As soon as practicable after the order for relief under chapter 11 of this title, the United States trustee shall appoint a committee of creditors holding unsecured claims. *Ante*, p. 2625.

(b) On request of a party in interest of the court may order the appointment of additional committees of creditors or of equity security holders if necessary to assure adequate representation of creditors or of equity security holders. The United States trustee shall appoint any such committee.

§ 151104. Appointment of trustee or examiner 11 USC 151104.

Notice and hearing.

(a) At any time after the commencement of the case but before confirmation of a plan, on request of a party in interest or the United States trustee, and after notice and a hearing, the court shall order the appointment of a trustee—

(1) for cause, including fraud, dishonesty, incompetence, or gross mismanagement of the affairs of the debtor by current management, either before or after the commencement of the case, or similar cause, but not including the number of holders of securities of the debtor or the amount of assets or liabilities of the debtor; or

(2) if such appointment is in the interests of creditors, any equity security holders, and other interests of the estate, without regard to the number of holders of securities of the debtor or the amount of assets or liabilities of the debtor.

(b) If the court does not order the appointment of a trustee under this section, then at any time before the confirmation of a plan, on request of a party in interest or the United States trustee, and after notice and a hearing, the court shall order the appointment of an examiner to conduct such an investigation of the debtor as is appropriate, including an investigation of any allegations of fraud, dishonesty, incompetence, misconduct, mismanagement, or irregularity in the management of the affairs of the debtor of or by current or former management of the debtor, if—

(1) such appointment is in the best interest of creditors, any equity security holders, and other interests of the estate; or

(2) the debtor's fixed, liquidated, unsecured debts, other than debts for goods, services, or taxes, or owing to an insider, exceed $5,000,000.

(c) If the court orders the appointment of a trustee or an examiner, if a trustee or an examiner dies or resigns during the case or is removed under section 324 of this title, or if a trustee fails to qualify under section 322 of this title, then the United States trustee, after consultation with parties in interest, shall appoint, subject to the court's approval, one disinterested person other than the United States trustee to serve as trustee or examiner, as the case may be, in the case.

Ante, p. 2562.

Ante, p. 2562.

11 USC 151105.

§ 151105. Termination of trustee's appointment

Notice and hearing.

At any time before confirmation of a plan, on request of a party in interest or the United States trustee, and after notice and a hearing, the court may terminate the trustee's appointment and restore the debtor to possession and management of the property of the estate, and operation of the debtor's business.

11 USC 151163.

§ 151163. Appointment of trustee

As soon as practicable after the order for relief the Secretary of Transportation shall submit a list of five disinterested persons that are qualified and willing to serve as trustee in the case. The United States trustee shall appoint one of such persons to serve as trustee in the case.

SUBCHAPTER XIII—ADJUSTMENT OF DEBTS OF AN INDIVIDUAL WITH REGULAR INCOME

11 USC 151302.

§ 151302. Trustee

(a) If the United States trustee has appointed an individual under section 586(b) of title 28 to serve as standing trustee in cases under chapter 13 of this title and if such individual qualifies under section 322 of this title, then such individual shall serve as trustee in the case. The United States trustee shall serve as trustee in the case otherwise.

Post, p. 2663.

(b) The trustee shall—

(1) perform the duties specified in sections 704(2), 704(3), 704(4), 704(5), 704(6), and 704(8) of this title;

Ante, p. 2605.

(2) appear and be heard at any hearing that concerns—

(A) the value of property subject to a lien;

(B) confirmation of a plan; or

(C) modification of the plan after confirmation; and

(3) advise, other than on legal matters, and assist the debtor in performance under the plan.

§ 151326. Payments 11 USC 151326.

Before or at the time of each payment to creditors under the plan, there shall be paid—

(1) any unpaid claim of the kind specified in section 507(a)(1) of this title; and *Ante*, p. 2583.

(2) if a standing trustee appointed under section 586(b) of title 28 is serving in the case, the percentage fee fixed for such standing trustee under section 586(e)(1)(B) of title 28. *Post*, p. 2663.

TITLE II—AMENDMENTS TO TITLE 28 OF THE UNITED STATES CODE AND TO THE FEDERAL RULES OF EVIDENCE

SEC. 201. (a) Title 28 of the United States Code is amended by inserting immediately after chapter 5 the following:

"CHAPTER 6—BANKRUPTCY COURTS

"Sec.
"151. Creation and composition of bankruptcy courts.
"152. Appointment of bankruptcy judges.
"153. Tenure and residence of bankruptcy judges.
"154. Salaries of bankruptcy judges.
"155. Chief judge; precedence of bankruptcy judges.
"156. Division of business among bankruptcy judges.
"157. Times of holding court.
"158. Accommodations at places for holding court.
"159. Vacant judgeship as affecting proceedings.
"160. Appellate panels.

"§ 151. Creation and composition of bankruptcy courts 28 USC 151.

"(a) There shall be in each judicial district, as an adjunct to the district court for such district, a bankruptcy court which shall be a court of record known as the United States Bankruptcy Court for the district.

"(b) Each bankruptcy court shall consist of the bankruptcy judge or judges for the district in regular active service. Justices or judges designated and assigned shall be competent to sit as judges of the bankruptcy court.

"(c) Except as otherwise provided by law, or rule or order of court, the judicial power of a bankruptcy court with respect to any action, suit or proceeding may be exercised by a single bankruptcy judge, who may preside alone and hold a regular or special session of court at the same time other sessions are held by other bankruptcy judges.

"§ 152. Appointment of bankruptcy judges 28 USC 152.

"The President shall appoint, by and with the advice and consent of the Senate, bankruptcy judges for the several judicial districts. In each instance, the President shall give due consideration to the recommended nominee or nominees of the Judicial Council of the Circuit within which an appointment is to be made.

"§ 153. Tenure and residence of bankruptcy judges 28 USC 153.

"(a) Each bankruptcy judge shall hold office for a term of 14 years, but may continue to perform the duties of his office until his successor takes office, unless such office has been eliminated.

"(b) Removal of a bankruptcy judge during the term for which he is appointed shall be only for incompetency, misconduct, neglect of duty, or physical or mental disability. Removal shall be by the judi-

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cial council of the circuit or circuits in which the bankruptcy judge serves, but removal may not occur unless a majority of all the judges of such circuit council or councils concur in the order of removal. Before any order of removal may be entered, a full specification of the charges shall be furnished to the bankruptcy judge, and he shall be accorded an opportunity to be heard on the charges. Any cause for removal of any bankruptcy judge coming to the knowledge of the Director of the Administrative Office of the United States Courts shall be reported by him to the chief judge of the circuit or circuits in which he serves, and a copy of the report shall at the same time be transmitted to the circuit council or councils and to the bankruptcy judge.

"(c) Each bankruptcy judge shall reside in the district or one of the districts for which he is appointed, or within 20 miles of his official station.

"(d) If the public interest and the nature of the business of a bankruptcy court require that a bankruptcy judge should maintain his abode at or near a particular part of the district the judicial council of the circuit may so declare and may make an appropriate order. If the bankruptcy judges of such a district are unable to agree as to which of them shall maintain his abode at or near the place or within the area specified in such an order the judicial council of the circuit may decide which of them shall do so.

28 USC 154.

"§ 154. Salaries of bankruptcy judges

"Each judge of a bankruptcy court shall receive a salary at an annual rate of $50,000, subject to adjustment under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), and section 461 of this title.

28 USC 461.

28 USC 155.

"§ 155. Chief judge; precedence of bankruptcy judges

"(a) In each district having more than one judge the bankruptcy judge in regular active service who is senior in commission and under seventy years of age shall be the chief judge of the bankruptcy court. If all the bankruptcy judges in regular active service are 70 years of age or older the youngest shall act as chief judge until a judge has been appointed and qualified who is under 70 years of age, but a judge may not act as chief judge until he has served as a bankruptcy judge for one year.

"(b) The chief judge shall have precedence and preside at any session which he attends.

"Other bankruptcy judges shall have precedence and preside according to the seniority of their commissions. Judges whose commissions bear the same date shall have precedence according to seniority in age.

"(c) A judge whose commission extends over more than one district shall be junior to all bankruptcy judges except in the district in which he resided at the time he entered upon the duties of his office.

"(d) If the chief judge desires to be relieved of his duties as chief judge while retaining his active status as a bankruptcy judge, he may so certify to the chief judge of the court of appeals for the circuit in which the bankruptcy judge serves, and thereafter the bankruptcy judge in active service next in precedence and willing to serve shall be designated by the chief judge of the court of appeals as the chief judge of the bankruptcy court.

"(e) If a chief judge is temporarily unable to perform his duties as such, they shall be performed by the bankruptcy judge in active service, present in the district and able and qualified to act, who is next in precedence.

"(f) Service as a referee in bankruptcy or as a bankruptcy judge under the Bankruptcy Act shall be taken into account in the determination of seniority of commission under this section. 11 USC prec. 1.

"§ 156. Division of business among bankruptcy judges 28 USC 156.

"The business of a bankruptcy court having more than one judge shall be divided among the judges as provided by the rules and orders of the court.

"The chief judge of the bankruptcy court shall be responsible for the observance of such rules and orders, and shall divide the business and assign the cases so far as such rules and orders do not otherwise prescribe.

"If the bankruptcy judges in any district are unable to agree upon the adoption of rules or orders for that purpose the judicial council of the circuit shall make the necessary orders.

"§ 157. Times of holding court 28 USC 157.

"(a) The bankruptcy court at each designated location shall be deemed to be in continuous session on all business days throughout the year.

"(b) Each bankruptcy court may establish by local rule or order schedules of court sessions at designated places of holding court other than the headquarters office of the court. Such schedules may be pretermitted by order of the court.

"(c) Bankruptcy court may be held at any place within the territory served, in any case, on order of the bankruptcy court, for the convenience of the parties, on such notice as the bankruptcy court orders.

"§ 158. Accommodations at places for holding court 28 USC 158.

"Court shall be held only at places where Federal quarters and accommodations are available, or suitable quarters and accommodations are furnished without cost to the United States. The foregoing restrictions shall not, however, preclude the Administrator of General Services, at the request of the Director of the Administrative Office of the United States Courts, from providing such court quarters and accommodations as the Administrator determines can appropriately be made available at places where court is authorized by law to be held, but only if such court quarters and accommodations have been approved as necessary by the judicial council of the appropriate circuit.

"§ 159. Vacant judgeship as affecting proceedings 28 USC 159.

"When the office of a bankruptcy judge becomes vacant, all pending process, pleadings and proceedings shall, when necessary, be continued by the clerk until a judge is appointed or designated to hold such court.

"§ 160. Appellate panels 28 USC 160.

"(a) If the circuit council of a circuit orders application of this section to a district within such circuit, the chief judge of each circuit shall designate panels of three bankruptcy judges to hear appeals from judgments, orders, and decrees of the bankruptcy court of the United States for such district. Except as provided in section 293(e) of this title, a panel shall be composed only of bankruptcy judges for districts located in the circuit in which the appeal arises. The chief judge shall designate a sufficient number of such panels so that appeals may be heard and disposed of expeditiously.

"(b) A panel designated under subsection (a) of this section may not hear an appeal from a judgment, order, or decree entered by a member of the panel.

"(c) When hearing an appeal, a panel designated under subsection (a) of this section shall sit at a place convenient to the parties to the appeal.".

(b) The table of chapters of part I of title 28 of the United States Code is amended by inserting immediately after the item relating to chapter 5 of such title the following:

"6. Bankruptcy courts ..... 151".

SEC. 202. Section 291(c) of title 28 of the United States Code is amended by inserting "or bankruptcy" immediately after "to hold a district".

SEC. 203. Section 292(b) of title 28 of the United States Code is amended by inserting "or a bankruptcy court" immediately after "to hold a district court".

SEC. 204. Section 292(d) of title 28 of the United States Code is amended—

(1) by striking out "either";

(2) by inserting "bankruptcy court," immediately after "in a"; and

(3) by inserting a comma immediately after "district court".

SEC. 205. Section 293 of title 28 of the United States Code is amended by adding at the end thereof the following:

"(e)(1) The Chief Justice of the United States may designate and assign temporarily a bankruptcy judge of one circuit for service in a bankruptcy court in another circuit upon presentation of a certificate of necessity by the chief judge or circuit justice of the circuit wherein the need arises.

"(2) The chief judge of a circuit may, in the public interest, designate and assign temporarily a bankruptcy judge of the circuit to hold a bankruptcy court in any district within the circuit.".

SEC. 206. Section 294 of title 28 of the United States Code is amended—

(1) in subsection (c), by deleting "or district" and inserting "district or bankruptcy judge"; and

(2) in subsection (d), by striking out "or district judge" and inserting in lieu thereof ", district judge or bankruptcy judge".

SEC. 207. Section 295 of title 28 of the United States Code is amended by striking out "or district" and inserting in lieu thereof "district, or bankruptcy".

SEC. 208. Section 331 of title 28 of the United States Code is amended—

(1) by striking out "and a district judge from each judicial circuit" in the first sentence of the first paragraph thereof and inserting "a district judge from each judicial circuit, and two bankruptcy judges" in lieu thereof;

(2) by inserting "circuit and district" in the second paragraph—

(A) immediately after "amended section the";

(B) immediately after "for one year, the"; and

(C) immediately after "two years and the";

(3) by inserting immediately after the second paragraph the following: "The bankruptcy judges to be summoned shall be chosen at large by all the bankruptcy judges. Each bankruptcy judge chosen shall serve as a member of the conference for three successive years, except that in the year following the effective date of this sentence the bankruptcy judges shall choose one bankruptcy judge to serve for two years.";

(4) by inserting "or a bankruptcy judge chosen by the bankruptcy judges" immediately after "judges of the circuit" in the first sentence in the third paragraph; and

(5) by inserting "or any other bankruptcy judge" immediately before the period in the first sentence in the third paragraph.

SEC. 209. Section 332(d) of title 28 of the United States Code is amended by inserting "and bankruptcy judges" immediately after "The district judges".

SEC. 210. Section 333 of title 28 of the United States Code is amended by striking out "and district" and inserting in lieu thereof ", district, and bankruptcy".

SEC. 211. Section 376(a)(2)(A) of title 28 of the United States Code is amended by inserting ", or (iii) in the case of a bankruptcy judge, after retirement under section 337 of this title" immediately before the semicolon.

SEC. 213. Section 451 of title 28 of the United States Code is amended—

(1) by inserting a comma and "and bankruptcy courts, the judges of which are entitled to hold office for a term of 14 years" immediately before the period at the end of the paragraph beginning with "The term 'court of the United States' "; and

(2) by inserting a comma and "and judge of the bankruptcy courts, the judges of which are entitled to hold office for a term of 14 years" immediately before the period at the end of the paragraph beginning with "The term 'judge of the United States' ".

SEC. 214. (a) Sections 455(a) and 455(e) of title 28 of the United States Code are each amended by striking out "magistrate, or referee in bankruptcy" each place it appears and inserting in lieu thereof "or magistrate".

(b) The heading for section 455 of title 28 of the United States Code is amended by striking out **"magistrate, or referee in bankruptcy"** and inserting in lieu thereof, **"or magistrate".**

(c) The item relating to section 455 in the table of sections of chapter 21 of title 28 of the United States Code is amended by striking out "magistrate, or referee in bankruptcy" and inserting in lieu thereof "or magistrate".

SEC. 215. Section 456 of title 28 of the United States Code is amended—

(1) by striking out "and the United States District Court for the District of Columbia," and inserting in lieu thereof "the United States District Court for the District of Columbia, and the United States Bankruptcy Court for the District of Columbia,";

(2) by striking out "and district" and inserting in lieu thereof ", district and bankruptcy"; and

(3) by striking out "and each district judge" and inserting in lieu thereof ", each district judge; and each bankruptcy judge".

SEC. 216. Section 457 of title 28 of the United States Code is amended by inserting "of bankruptcy courts," immediately after "The record".

SEC. 217. (a) The heading for section 460 of title 28 of the United States Code is amended by striking out **"Alaska,"**.

(b) The item relating to section 460 in the table of sections of chapter 21 of title 28 of the United States Code is amended by striking out "Alaska,".

SEC. 218. Section 506 of title 28 of the United States Code is amended by striking out "nine" and inserting in lieu thereof "ten".

SEC. 219. (a) Section 526(a)(1) of title 28 of the United States Code is amended by striking out "and marshals" and inserting in lieu thereof ", marshals, and trustees".

(b) The heading for section 526 of title 28 of the United States Code is amended by striking out "**and marshals**" and inserting in lieu thereof "**, marshals, and trustee**".

(c) The item relating to section 526 in the table of sections of chapter 31 of title 28 of the United States Code is amended by striking out "and marshals" and inserting in lieu thereof ", marshals, and trustees".

SEC. 220. Section 526(a)(2) of title 28 of the United States Code is amended—

(1) by striking out "referees,";

(2) by striking out "and receivers in bankruptcy" and inserting in lieu thereof "in cases under title 11"; and

(3) by striking out "commissioners" and inserting "magistrates" in lieu thereof.

SEC. 221. Section 569(a) of title 28 of the United States Code is amended by striking out "of the district court" and inserting in lieu thereof "of the bankruptcy, of the district court,".

SEC. 222. Section 571(a) of title 28 of the United States Code is amended—

(1) by striking out "and of the marshals" and inserting in lieu thereof "of the marshals"; and

(2) by inserting ", and of the United States trustees, their assistants, staff and other employees" immediately after "clerical assistance".

SEC. 223. Section 571(b) of title 28 of the United States Code is amended by striking out "and district" and inserting in lieu thereof ", district, and bankruptcy".

SEC. 224. (a) Title 28 of the United States Code is amended by inserting immediately after chapter 37 the following:

"CHAPTER 39—UNITED STATES TRUSTEES

"Sec.
"581. United States trustees.
"582. Assistant United States trustees.
"583. Oath of office.
"584. Official stations.
"585. Vacancies.
"586. Duties; supervision by Attorney General.
"587. Salaries.
"588. Expenses.
"589. Staff and other employees.

28 USC 581.

"§ 581. United States trustees

"(a) The Attorney General shall appoint one United States trustee for each of the following districts or groups of districts:

"(1) District of Maine, District of New Hampshire, District of Massachusetts, and District of Rhode Island.

"(2) Southern District of New York.

"(3) District of Delaware and District of New Jersey.

"(4) Eastern District of Virginia and District of District of Columbia.

"(5) Northern District of Alabama.

"(6) Northern District of Texas.

"(7) Northern District of Illinois.
"(8) District of Minnesota, District of North Dakota, District of South Dakota.
"(9) Central District of California.
"(10) District of Colorado and District of Kansas.

"(b) Each United States trustee shall be appointed for a term of seven years. On the expiration of his term, a United States trustee shall continue to perform the duties of his Office until his successor is appointed and qualifies.

"(c) Each United States trustee is subject to removal for cause by the Attorney General.

"§ 582. Assistant United States trustees 28 USC 582.

"(a) The Attorney General may appoint one or more assistant United States trustees in any district when the public interest so requires.

"(b) Each assistant United States trustee is subject to removal for cause by the Attorney General.

"§ 583. Oath of office 28 USC 583.

"Each United States trustee and assistant United States trustee, before taking office, shall take an oath to execute faithfully his duties.

"§ 584. Official stations 28 USC 584.

"The Attorney General may determine the official stations of the United States trustees and assistant United States trustees within the districts for which they were appointed.

"§ 585. Vacancies 28 USC 585.

"The Attorney General may appoint an acting United States trustee for a district in which the office of United States trustee is vacant, or may designate a United States trustee for another judicial district to serve as trustee for the district in which such vacancy exists. The individual so appointed or designated may serve until the earlier of 90 days after such appointment or designation, as the case may be, or the date on which the vacancy is filled by appointment under section 581 of this title.

"§ 586. Duties; supervision by Attorney General 28 USC 586.

"(a) Each United States trustee, within his district, shall—
"(1) establish, maintain, and supervise a panel of private trustees that are eligible and available to serve as trustees in cases under chapter 7 of title 11;
"(2) serve as and perform the duties of a trustee in a case under title 11 when required under title 11 to serve as trustee in such a case;
"(3) supervise the administration of cases and trustees in cases under chapter 7, 11, or 13 of title 11;
"(4) deposit or invest under section 345 of title 11 money received as trustee in cases under title 11;
"(5) perform the duties prescribed for the United States trustee under title 11; and
"(6) make such reports as the Attorney General directs.

Ante, p. 2603.

Ante, pp. 2625, 2645.

Ante, p. 2565.

"(b) If the number of cases under chapter 13 of title 11 commenced in a particular judicial district so warrant, the United States trustee for such district may, subject to the approval of the Attorney General, appoint one or more individuals to serve as standing trustee, or designate one or more assistant United States trustee, in cases under such chapter. The United States trustee for such district shall

supervise any such individual appointed as standing trustee in the performance of the duties of standing trustee.

"(c) Each United States trustee shall be under the general supervision of the Attorney General, who shall provide general coordination and assistance to the United States trustees.

Rules.

"(d) The Attorney General shall prescribe by rule qualifications for membership on the panels established by United States trustees under subsection (a)(1) of this section, and qualifications for appointment under subsection (b) of this section to serve as standing trustee in cases under chapter 13 of title 11. The Attorney General may not require that an individual be an attorney in order to qualify for appointment under subsection (b) of this section to serve as standing trustee in cases under chapter 13 of title 11.

Ante, p. 2645.

"(e)(1) The Attorney General, after consultation with a United States trustee that has appointed an individual under subsection (b) of this section to serve as standing trustee in cases under chapter 13 of title 11, shall fix—

"(A) a maximum annual compensation for such individual, not to exceed the lowest annual rate of basic pay in effect for grade GS–16 of the General Schedule prescribed under section 5332 of title 5; and

5 USC 5332 note.

"(B) a percentage fee, not to exceed ten percent, based on such maximum annual compensation and the actual, necessary expenses incurred by such individual as standing trustee.

"(2) Such individual shall collect such percentage fee from all payments under plans in the cases under chapter 13 of title 11 for which such individual serves as standing trustee. Such individual shall pay to the United States trustee, and the United States trustee shall pay to the Treasury—

"(A) any amount by which the actual compensation of such individual exceeds five percent upon all payments under plans in cases under chapter 13 of title 11 for which such individual serves as standing trustee; and

"(B) any amount by which the percentage for all such cases exceeds—

"(i) such individual actual compensation for such cases, as adjusted under subparagraph (A) of this paragraph; plus

"(ii) the actual, necessary expenses incurred by such individual as standing trustee in such cases.

28 USC 587.

"§ 587. Salaries

"The Attorney General shall fix the annual salaries of United States trustees and assistant United States trustees at rates of compensation not to exceed the lowest annual rate of basic pay in effect for grade GS–16 of the General Schedule prescribed under section 5332 of title 5.

28 USC 588.

"§ 588. Expenses

"Necessary office expenses of the United States trustee shall be allowed when authorized by the Attorney General.

28 USC 589.

"§ 589. Staff and other employees

"The United States trustee may employ staff and other employees on approval of the Attorney General.".

(b) The table of chapters of part II of title 28 of the United States Code is amended by inserting at the end thereof the following:

"39. United States Trustees ..... 581".

SEC. 225. (a) Section 604(a) of title 28 of the United States Code is amended—

(1) by redesignating paragraph (13) as paragraph (14); and

(2) by inserting immediately after paragraph (12) the following:

"(13) Lay before Congress, annually, statistical tables that will accurately reflect the business transacted by the several bankruptcy courts, and all other pertinent data relating to such courts;". Statistical tables.

(b) Section 604 of title 28 of the United States Code, is amended by adding at the end thereof the following:

"(f) For each bankruptcy court, the Director shall name qualified persons to membership on the panel of trustees. The number and qualifications of persons named to membership on the panel of trustees shall be determined by rules and regulations to be adopted by the Director. An individual named to membership on the panel of trustees shall have a residency or office in the State served by the court or in any adjacent State. A corporation named to membership on the panel of trustees shall be authorized by its charter or by law to act as trustee and shall have an office in the State served by the court. The Director on his own initiative may at any time remove for cause a person named to a panel of trustees or remove a trustee appointed from the panel.". Rules and regulations.

SEC. 226. Section 610 of title 28 of the United States Code is amended by striking out "and district courts" and inserting in lieu thereof ", district courts, and bankruptcy courts".

SEC. 227. Section 620(b)(3) of title 28 of the United States Code is amended—

(1) by striking out "referees,"; and

(2) by striking out "commissioners" and inserting "magistrates" in lieu thereof.

SEC. 228. Section 621(a)(2) of title 28 of the United States Code is amended by striking out "and three active judges of the district courts of the United States" and inserting in lieu thereof ", three active judges of the district courts of the United States, one active judge of the bankruptcy courts of the United States".

SEC. 229. Section 621(b) of title 28 of the United States Code is amended by striking out everything after "years" down through "That a" and inserting in lieu thereof ". A".

SEC. 230. Chapter 42 of title 28 of the United States Code is amended— 28 USC 620 *et seq.*

(1) by striking out section 629; and

(2) by striking out the item relating to section 629 in the table of sections.

SEC. 231. Section 631(c) of title 28 of the United States Code is amended—

(1) by striking out "of the conference, a part-time referee in bankruptcy or" and inserting in lieu thereof "of the conference,"; and

(2) by striking out "magistrate and part-time referee in bankruptcy," and inserting in lieu thereof "magistrate and".

SEC. 232. Section 634(a) of title 28 of the United States Code is amended by striking out "for full-time and part-time United States magistrates not to exceed the rates now or hereafter provided for full-time and part-time referees in bankruptcy, respectively, referred to in section 40a of the Bankruptcy Act (11 U.S.C. 68(a)), as amended,", and inserting in lieu thereof "not to exceed $48,500 per annum, subject to adjustment in accordance with section 225 of the Federal Salary Act of 1967 and section 461 of this title,". 2 USC 351.

SEC. 233. (a) Title 28 of the United States Code is amended by inserting immediately after chapter 49 the following:

"CHAPTER 50—BANKRUPTCY COURTS

"Sec.
"771. Clerks.
"772. Other employees.
"773. Records of proceedings; reporters.
"774. Power to appoint.
"775. Salaries of employees.

28 USC 771.

"§ 771. Clerks

"(a) Based on need each bankruptcy court may appoint a clerk who shall be subject to removal only by the court.

"(b) The clerk may appoint, with the approval of the court, necessary deputies, clerical assistants, and employees in such number as may be approved by the Director of the Administrative Office of the United States Courts. Such deputies, clerical assistants, and employees shall be subject to removal only by the clerk with the approval of the court. If there is no clerk, the Bankruptcy Judge shall perform the duties of this subsection.

"(c) The clerk of each bankruptcy court shall reside in the district for which he is appointed. The bankruptcy court may designate places within the district for the offices of the clerk and his deputies, and their official stations.

"(d) A clerk of a bankruptcy court or his deputy or assistant shall not receive any compensation or emoluments through any office or position to which he is appointed by the court, other than that received as such clerk, deputy or assistant, whether from the United States or from private litigants.

"(e) The clerk of each bankruptcy court shall pay into the Treasury all fees, costs and other moneys collected by him, except uncollected fees not required by Act of Congress to be prepaid.

"He shall make returns thereof to the Director of the Administrative Office of the United States Courts under regulations prescribed by him.

28 USC 772.

"§ 772. Other employees

"Bankruptcy judges may appoint necessary other employees, including law clerks and secretaries, subject to any limitation on the aggregate salaries of such employees which may be imposed by law.

28 USC 773.

"§ 773. Records of proceedings; reporters

"(a) The bankruptcy court shall require a record to be made, whenever practicable, of all proceedings in cases had in open court. The Judicial Conference shall prescribe that the record be taken by electronic sound recording means, by a court reporter appointed or employed by such bankruptcy court to take a verbatim record by shorthand or mechanical means, or by an employee of such court designated by such court to take such a verbatim record.

"(b) On the request of a party to a proceeding that has been recorded who has agreed to pay the fee for a transcript, or a judge of the bankruptcy court, a transcript of the original record of the requested parts of such proceeding shall be made and delivered promptly to such party or judge. Any such transcript that is certified shall be deemed prima facie a correct statement of the testimony taken and proceedings had. No transcript of the proceedings of the bankruptcy court shall be considered as official except those made from certified records.

"(c) Fees for transcripts furnished in proceedings to persons permitted to appeal in forma pauperis shall be paid by the United States out of money appropriated for that purpose if the trial judge or a circuit judge certifies that the appeal is not frivolous (but presents a substantial question).

"§ 774. Power to appoint 28 USC 774.

"Whenever a majority of the bankruptcy judges of any bankruptcy court cannot agree upon the appointment of any officer of such court, the chief judge shall make such appointment.

"§ 775. Salaries of employees 28 USC 775.

"The salary of an individual appointed or employed under section 771(a), 772, or 773(a) of this title shall be the same as the salary of an individual appointed or employed under section 751(a), 752, or 753(a) of this title, as the case may be. The salaries of individuals appointed under section 771(b) of this title shall be comparable to the salaries of individuals appointed under section 751(b) of this title.".

(b) The table of chapters of part III of title 28 of the United States Code is amended by inserting immediately after the item relating to chapter 49 the following:

"50. Bankruptcy Courts ..... 771".

SEC. 234. Section 957(a) of title 28 of the United States Code is amended by inserting "or bankruptcy court" immediately after "district court".

SEC. 235. Section 959(b) of title 28 of the United States Code is amended by striking out "A" and inserting in lieu thereof "Except as provided in section 1166 of title 11, a".

SEC. 236. (a) Chapter 83 of title 28 of the United States Code is amended by inserting immediately after section 1292 the following:

"§ 1293. Bankruptcy appeals 28 USC 1293.

"(a) The courts of appeals shall have jurisdiction of appeals from all final decisions of panels designated under section 160(a) of this title.

"(b) Notwithstanding section 1482 of this title, a court of appeals shall have jurisdiction of an appeal from a final judgment, order, or decree of an appellate panel created under section 160 or a District court of the United States or from a final judgment, order, or decree of a bankruptcy court of the United States if the parties to such appeal agree to a direct appeal to the court of appeals.". *Post*, p. 2671.

(b) The table of sections of chapter 83 of title 28 of the United States Code is amended by inserting immediately after the item relating to section 1292 the following:

"1293. Bankruptcy appeals.".

SEC. 237. Section 1294 of title 28 of the United States Code is amended—

(1) by striking out "district and territorial" and inserting in lieu thereof "district, bankruptcy, and territorial";

(2) by striking out the period at the end thereof and inserting a semicolon; and

(3) by adding at the end thereof the following:

"(5) From a panel designated under section 160(a) of this title to the court of appeals for the circuit in which the panel was so designated;

"(6) From a bankruptcy court of the United States to the court of appeals for the circuit embracing the district in which the bankruptcy court is located.".

SEC. 238. (a) Section 1334 of title 28 of the United States Code is amended to read as follows:

28 USC 1334.

"§ 1334. Bankruptcy appeals

"(a) The district courts for districts for which panels have not been ordered appointed under section 160 of this title shall have jurisdiction of appeals from all final judgments, orders, and decrees of bankruptcy courts.

"(b) The district courts for such districts shall have jurisdiction of appeals from interlocutory orders and decrees of bankruptcy courts, but only by leave of the district court to which the appeal is taken.

"(c) A district court may not refer an appeal under that section to a magistrate or to a special master.".

(b) The table of sections of chapter 85 of title 28 of the United States Code is amended by striking out the item relating to section 1334 and inserting in lieu thereof the following:

"1334. Bankruptcy appeals.".

SEC. 239. Section 1360(a) of title 28 of the United States Code is amended by striking out "within the Territory" and inserting in lieu thereof "within the State".

SEC. 240. (a) Chapter 87 of title 28 of the United States Code is amended by adding at the end thereof the following:

28 USC 1408.

"§ 1408. Bankruptcy appeals

Supra.

"An appeal under section 1334 of this title from a judgment, order, or decree of a bankruptcy court may be brought only in the judicial district in which such bankruptcy court is located.".

(b) The table of sections of chapter 87 of title 28 of the United States Code is amended by adding at the end thereof the following:

"1408. Bankruptcy appeals.".

SEC. 241. (a) Title 28 of the United States Code is amended by inserting immediately after chapter 89 the following:

"CHAPTER 90—DISTRICT COURTS AND BANKRUPTCY COURTS

"Sec.
"1471. Jurisdiction.
"1472. Venue of cases under title 11.
"1473. Venue of proceedings arising under or related to cases under title 11.
"1474. Venue of cases ancillary to foreign proceedings.
"1475. Change of venue.
"1476. Creation or alteration of district or division.
"1477. Cure or waiver of defects.
"1478. Removal to the bankruptcy courts.
"1479. Provisional remedies; security.
"1480. Jury trials.
"1481. Powers of bankruptcy court.
"1482. Appeals.

28 USC 1471.

"§ 1471. Jurisdiction

"(a) Except as provided in susbection (b) of this section, the district courts shall have original and exclusive jurisdiction of all cases under title 11.

"(b) Notwithstanding any Act of Congress that confers exclusive jurisdiction on a court or courts other than the district courts, the district courts shall have original but not exclusive jurisdiction of all civil proceedings arising under title 11 or arising in or related to cases under title 11.

"(c) The bankruptcy court for the district in which a case under title 11 is commenced shall exercise all of the jurisdiction conferred by this section on the district courts.

"(d) Subsection (b) or (c) of this section does not prevent a district court or a bankruptcy court, in the interest of justice, from abstaining from hearing a particular proceeding arising under title 11 or arising in or related to a case under title 11. Such abstention, or a decision not to abstain, is not reviewable by appeal or otherwise.

"(e) The bankruptcy court in which a case under title 11 is commenced shall have exclusive jurisdiction of all of the property, wherever located, of the debtor, as of the commencement of such case.

§ 1472. Venue of cases under title 11 28 USC 1472.

"Except as provided in section 1474 of this title, a case under title 11 may be commenced in the bankruptcy court for a district—

"(1) in which the domicile, residence, principal place of business, in the United States, or principal assets, in the United States, of the person or entity that is the subject of such case have been located for the 180 days immediately preceding such commencement, or for a longer portion of such 180-day period than the domicile, residence, principal place of business, in the United States, or principle assets, in the United States, of such person were located in any other district; or

"(2) in which there is pending a case under title 11 concerning such person's affiliate, general partner, or partnership.

"§ 1473. Venue of proceedings arising under or related to cases under title 11 28 USC 1473.

"(a) Except as provided in subsections (b) and (d) of this section, a proceeding arising in or related to a case under title 11 may be commenced in the bankruptcy court in which such case is pending.

"(b) Except as provided in subsection (d) of this section, a trustee in a case under title 11 may commence a proceeding arising in or related to such case to recover a money judgment of or property worth less than $1,000 or a consumer debt of less than $5,000 only in the bankruptcy court for the district in which a defendant resides.

"(c) Except as provided in section (b) of this section, a trustee in a case under title 11 may commence a proceeding arising in or related to such case as statutory successor to the debtor or creditors under section 541 or 544(b) of title 11 in the bankruptcy court for the district where the State or Federal court sits in which, under applicable nonbankruptcy venue provisions, the debtor or creditors, as the case may be, may have commenced an action on which such proceeding is based if the case under title 11 had not been commenced.

"(d) A trustee may commence a proceeding arising under title 11 or arising in or related to a case under title 11 based on a claim arising after the commencement of such case from the operation of the business of the debtor only in the bankruptcy court for the district where a State or Federal court sits in which, under applicable nonbankruptcy venue provisions, an action on such claim may have been brought.

"(e) A proceeding arising in or related to a case under title 11, based on a claim arising after the commencement of such case from the operation of the business of the debtor, may be commenced against the representative of the estate in such case in the bankruptcy court for the district where the State or Federal court sits in which the party commencing such proceeding may, under applicable nonbankruptcy venue provisions, have brought an action on such claim, or in the bankruptcy court in which such case in pending.

28 USC 1474.

"§ 1474. Venue of cases ancillary to foreign proceedings

"(a) A case under section 304 of title 11 to enjoin the commencement or continuation of an action or proceeding in a State or Federal court, or the enforcement of a judgment, may be commenced only in the bankruptcy court for the district where the State or Federal court sits in which is pending the action or proceeding against which the injunction is sought.

Ante, p. 2560.

"(b) A case under section 304 of title 11 to enjoin the enforcement of a lien against property, or to require turnover of property of an estate, may be commenced only in the bankruptcy court for the district in which such property is found.

"(c) A case under section 304 of title 11, other than a case specified in subsection (a) or (b) of this section, may be commenced only in the bankruptcy court for the district in which is located the principal assets in the United States, of the estate that is the subject of such case.

28 USC 1475.

"§ 1475. Change of venue

"A bankruptcy court may transfer a case under title 11 or a proceeding arising under or related to such a case to a bankruptcy court for another district, in the interest of justice and for the convenience of the parties.

28 USC 1476.

"§ 1476. Creation or alteration of district or division

"Cases or proceedings pending at the time of the creation of a new district or division or transfer of a county or territory from one division or district to another may be tried in the district or division as it existed at the institution of the case or proceeding, or in the district or division so created or to which the county or territory is so transferred as the parties shall agree or the court direct.

28 USC 1477.

"§ 1477. Cure or waiver of defects

"(a) The bankruptcy court of a district in which is filed a case or proceeding laying venue in the wrong division or district may, in the interest of justice and for the convenience of the parties, retain such case or proceeding, or may transfer, under section 1475 of this title, such case or proceeding to any other district or division.

"(b) Nothing in this chapter shall impair the jurisdiction of a bankruptcy court of any matter involving a party who does not interpose timely and sufficient objection to the venue.

28 USC 1478.

"§ 1478. Removal to the bankruptcy courts

"(a) A party may remove any claim or cause of action in a civil action, other than a proceeding before the United States Tax Court or a civil action by a Government unit to enforce such governmental unit's police or regulatory power, to the bankruptcy court for the district where such civil action is pending, if the bankruptcy courts have jurisdiction over such claim or cause of action.

"(b) The court to which such claim or cause of action is removed may remand such claim or cause of action on any equitable ground. An order under this subsection remanding a claim or cause of action, or a decision not so remanding, is not reviewable by appeal or otherwise.

28 USC 1479.

"§ 1479. Provisional remedies; security

"(a) Whenever any action is removed to a bankruptcy court under section 1478 of this title, any attachment or sequestration of the goods or estate of the defendant in such action shall hold the goods or estate to answer the final judgment or decree in the same manner as they would have been held to answer final judgment or decree had it been rendered by the court from which the action was removed, unless the attachment or sequestration is invalidated under applicable law.

"(b) Any bond, undertaking, or security given by either party in an action prior to removal under section 1478 of this title shall remain valid and effectual notwithstanding such removal, unless such bond, undertaking, or other security is invalidated under applicable law.

"(c) All injunctions, orders, or other proceedings in an action prior to removal of such action under section 1478 of this title shall remain in full force and effect until dissolved or modified by the bankruptcy court.

28 USC 1480.

"§ 1480. Jury trials

"(a) Except as provided in subsection (b) of this section, this chapter and title 11 do not affect any right to trial by jury, in a case under title 11 or in a proceeding arising under title 11 or arising in or related to a case under title 11, that is provided by any statute in effect on September 30, 1979.

"(b) The bankruptcy court may order the issues arising under section 303 of title 11 to be tried without a jury.

Ante, p. 2559.

28 USC 1481.

"§ 1481. Powers of bankruptcy court

"A bankruptcy court shall have the powers of a court of equity, law, and admiralty, but may not enjoin another court or punish a criminal contempt not committed in the presence of the judge of the court or warranting a punishment of imprisonment.

28 USC 1482.

"§ 1482. Appeals

Ante, p. 2659.

"(a) Panels designated under section 160(a) of this title shall have jurisdiction of appeals from all final judgments, orders, and decrees of bankruptcy courts.

"(b) Panels designated under section 160(a) of this title shall have jurisdiction of appeals from interlocutory judgments, orders, and decrees of bankruptcy courts, but only by leave of the panel to which the appeal is taken.".

(b) The table of chapters of part IV of title 28 of the United States Code is amended by inserting immediately after the item relating to chapter 89 the following:

"90. District Courts and Bankruptcy Courts ..... 1471".

SEC. 242. Section 1656 of title 28 of the United States Code is amended by inserting "or in a bankruptcy court" immediately after "a district court".

SEC. 243. Section 1869(f) of title 28 of the United States Code is amended by inserting "chapter 6 of title 28, United States Code," immediately after "chapter 5 of title 28, United States Code,".

SEC. 244. Section 1914(a) of title 28 of the United States Code is amended by striking out "$15" and inserting "$60" in lieu thereof.

SEC. 245. Section 1923(b) of title 28 of the United States Code is amended by inserting "and United States trustees" immediately after "United States attorneys".

SEC. 246. (a) Chapter 123 of title 28 of the United States Code is amended by inserting immediately after section 1929 the following:

28 USC 1930.

"§ 1930. Bankruptcy courts

"(a) Notwithstanding section 1915 of this title, the parties commencing a case under title 11 shall pay to the clerk of the bankruptcy court the following filing fees:

"(1) For a case commenced under chapter 7 or 13 of title 11, $60. *Ante*, pp. 2603, 2645.

"(2) For a case commenced under chapter 9 of title 11, $300. *Ante*, p. 2621.

"(3) For a case commenced under chapter 11 of title 11 that does not concern a railroad, as defined in section 101 of title 11, $200. *Ante*, p. 2625. *Ante*, p. 2549.

Ante, p. 2625.

"(4) For a case commenced under chapter 11 of title 11 concerning a railroad, as so defined, $500.

An individual commencing a voluntary case or a joint case under title 11 may pay such fee in installments.

Fees.

"(b) The Judicial Conference of the United States may prescribe additional fees in cases under title 11 of the same kind as the Judicial Conference prescribes under section 1914(b) of this title.

"(c) Upon the filing of any separate or joint notice of appeal or application for appeal or upon the receipt of any order allowing, or notice of the allowance of, an appeal or a writ of certiorari $5 shall be paid to the clerk of the bankruptcy court, by the appellant or petitioner.

"(d) Whenever any case or proceeding is dismissed in any bankruptcy court for want of jurisdiction, such court may order the payment of just costs.

"(e) The clerk of the bankruptcy court may collect only the fees prescribed under this section.".

(b) The table of sections of chapter 123 of title 28 of the United States Code is amended by adding at the end thereof the following:

"1930. Bankruptcy courts.".

SEC. 247. Section 2075 of title 28 of the United States Code is amended by—

(1) striking out "under the Bankruptcy Act" and inserting in lieu thereof "in cases under title 11"; and

(2) by striking out the last sentence thereof.

SEC. 248. Section 2107 of title 28 of the United States Code is amended—

(1) by inserting "or the bankruptcy court" immediately after "district court"; and

(2) by striking out the final paragraph.

SEC. 249. Section 2201 of title 28 of the United States Code is amended by inserting "or a proceeding under section 505 or 1146 of title 11" immediately after "the Internal Revenue Code of 1954".

Ante, pp. 2582, 2641.

SEC. 250. (a) Chapter 153 of title 28 of the United States Code is amended by adding at the end thereof the following:

28 USC 2256.

"§ 2256. Habeas corpus from bankruptcy courts

"A bankruptcy court may issue a writ of habeas corpus—

"(1) when appropriate to bring a person before the court—

"(A) for examination;

"(B) to testify; or

"(C) to perform a duty imposed on such person under this title; or

"(2) ordering the release of a debtor in a case under title 11 in custody under the judgment of a Federal or State court if—

"(A) such debtor was arrested or imprisoned on process in any civil action;

"(B) such process was issued for the collection of a debt—

"(i) dischargeable under title 11; or

"(ii) that is or will be provided for in a plan under chapter 11 or 13 of title 11; and

Ante, p. 2645.

"(C) before the issuance of such writ, notice and a hearing have been afforded the adverse party of such debtor in custody to contest the issuance of such writ.".

(b) The table of sections for chapter 153 of title 28 of the United States Code is amended by adding at the end thereof the following:

"2256. Habeas corpus from bankruptcy courts.".

SEC. 251. (a) Rule 1101(a) of the Federal Rules of Evidence is amended by striking out ", referees in bankruptcy,". 28 USC app.

(b) Rule 1101(b) of the Federal Rules of Evidence is amended by striking out "the Bankruptcy Act" and inserting in lieu thereof "title 11, United States Code".

SEC. 252. Rule 1101(a) of the Federal Rules of Evidence is amended by inserting "the United States bankruptcy courts," immediately after "the United States district courts,".

TITLE III—AMENDMENTS TO OTHER ACTS

SEC. 301. Section 225(f)(C) of the Federal Salary Act of 1967 (2 U.S.C. 356(C)) is amended—

(1) by striking out "sections 402(d) and" and inserting "section" in lieu thereof; and

(2) by inserting "and magistrates" immediately before the semicolon.

SEC. 302. The Commodity Exchange Act (7 U.S.C. 1 et seq.) is amended by adding at the end thereof the following:

"SEC. 19. (a) Notwithstanding title 11 of the United States Code, the Commission may provide, with respect to a commodity broker that is a debtor under chapter 7 of title 11 of the United States Code, by rule or regulation— 7 USC 24. *Ante*, p. 2603.

"(1) that certain cash, securities, other property, or commodity contracts are to be included in or excluded from customer property or member property;

"(2) that certain cash, securities, other property, or commodity contracts are to be specifically identifiable to a particular customer in a specific capacity;

"(3) the method by which the business of such commodity broker is to be conducted or liquidated after the date of the filing of the petition under such chapter;

"(4) any persons to which customer property and commodity contracts may be transferred under section 766 of title 11 of the United States Code; and *Ante*, p. 2619.

"(5) how the net equity of a customer is to be determined.

"(b) As used in this section, the terms 'commodity broker', 'commodity contract', 'customer', 'customer property', 'member property', 'net equity', and 'security' have the meanings assigned such terms for the purposes of subchapter IV of chapter 7 of title 11 of the United States Code.". Definitions. *Ante*, p. 2615.

SEC. 303. (a) Subsection (a) of section 4 of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499d(a)), is amended by inserting ", unless the Secretary finds upon examination of the circumstances of such bankruptcy, which he shall examine if requested to do so by said licensee, that such circumstances do not warrant such termination" immediately after "bankrupt".

(b) Subsection (e) of section 4 of such Act (7 U.S.C. 499d(e)) is amended by inserting "and if he finds that the circumstances of such bankruptcy warrant such a refusal," immediately after "corporation adjudicated or discharged as a bankrupt.".

SEC. 304. Section 21(a) of the Agricultural Adjustment Act (7 U.S.C. 623(a)) is amended—

(1) by striking out "receivership, and bankruptcy" and inserting "and receivership" in lieu thereof; and

(2) by striking out "bankruptcy," in the second sentence.

SEC. 305. The first section of the Act entitled "An Act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes." approved December 20, 1944 (58 Stat. 836; 12 U.S.C. 1150), is amended by striking out "Act entitled 'An Act to establish a uniform system of bankruptcy throughout the United States'" and inserting "Bankruptcy Act or under title 11 of the United States Code" in lieu thereof.

SEC. 306. (a) Section 3(a)(7) of the Securities Act of 1933 (15 U.S.C. 77c(a)(7)) is amended by striking out "in bankruptcy" and inserting "or debtor in possession in a case under title 11 of the United States Code" in lieu thereof.

(b) Paragraphs (9) and (10) of section 3(a) of such Act (15 U.S.C. 77c(a) (9) and (10)) are each amended by striking out "Any" and inserting in lieu thereof the following: "Except with respect to a security exchanged in a case under title 11 of the United States Code, any".

SEC. 307. Section 303(18) of the Trust Indenture Act of 1939 (15 U.S.C. 77ccc(18)) is amended by striking out "Act entitled 'An Act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, as amended, whether amended prior to or after the enactment of this title" and inserting "Bankruptcy Act or title 11 of the United States Code" in lieu thereof.

SEC. 308. (a) Section 5(b)(1)(A) of the Securities Investor Protection Act of 1970 (15 U.S.C. 78eee(b)(1)) is amended—

(1) by striking out "the Bankruptcy Act" and inserting "section 101 of title 11 of the United States Code" in lieu thereof; *Ante*, p. 2549.

(2) by striking out subparagraph (B) thereof; and

(3) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (B), (C), and (D), respectively.

(b) Section 5(b)(2)(A)(iii) of such Act (15 U.S.C. 78eee(b)(2)(A)(iii)) is amended by striking out "bankruptcy by the Bankruptcy Act" and inserting "the United States having jurisdiction over cases under title 11 of the United States Code" in lieu thereof.

(c) Section 5(b)(2)(B)(iii) of such Act (15 U.S.C. 78eee(b)(2)(B)(iii)) is amended by striking out ", the right of setoff provided in section 68 of the Bankruptcy Act, and" and inserting in lieu thereof "any right of setoff, except to the extent such right may be affected under section 553 of title 11 of the United States Code, and shall not abrogate". 11 USC 108. *Ante*, p. 2602.

(d) Section 5(b)(3) of such Act (15 U.S.C. 78eee(b)(3)) is amended by striking out "the applicable provisions of the Bankruptcy Act" and inserting "section 322 of title 11 of the United States Code" in lieu thereof. *Ante*, p. 2562.

(e) Section 5(b) of such Act (15 U.S.C. 78eee(b)) is amended by striking out paragraph (4) thereof and inserting in lieu thereof the following:

"(4) REMOVAL TO BANKRUPTCY COURT.—Upon the issuance of a protective decree and appointment of a trustee, or a trustee and counsel, under this section, the court shall forthwith order the removal of the entire liquidation proceeding to the court of the United States in the same judicial district having jurisdiction over cases under title 11 of the United States Code. The latter court shall thereupon have all of the jurisdiction, powers, and duties conferred by this Act upon the court to which application for the issuance of the protective decree was made.".

(f) Section 5(b)(5) of such Act (15 U.S.C. 78eee(b)(5)) is amended—

(1) by striking out subparagraph (B);

(2) by striking out "the Bankruptcy Act governing applications for allowances under such Act" in subparagraph (C) and inserting "title 11 of the United States Code governing applications for allowances under such title";

(3) by striking out "C" in subparagraph (D) and inserting "(B)" in lieu thereof;

(4) by striking out "the Bankruptcy Act" in subparagraph (E) and inserting "section 504 of title 11 of the United States Code" in lieu thereof; and *Ante*, p. 2582.

(5) by redesignating subparagraphs (C), (D), (E), and (F) as subparagraphs (B), (C), (D), and (E), respectively.

(g) Section 6(b) of such Act (15 U.S.C. 78fff(b)) is amended—

(1) by striking out ", the Bankruptcy Act." and all that follows through the end of subsection (b), and inserting in lieu thereof "chapters 1, 3, and 5 and subchapters I and II of chapter 7 of title 11 of the United States Code. For the purposes of applying such title in carrying out this section, a reference in such title to the date of the filing of the petition shall be deemed to be a reference to the filing date under this Act."; and *Ante*, pp. 2549, 2558, 2578, 2604, 2606.

(2) by striking out "Application of Bankruptcy Act" and inserting "Application of Title 11 of the United States Code" in lieu thereof.

(h) Section 6(e) of such Act (15 U.S.C. 78fff(e)) is amended— *Ante*, p. 260.

(1) by striking out "in the Bankruptcy Act" and inserting "in section 726 of title 11 of the United States Code" in lieu thereof; *Ante*, p. 2608. and

(2) by striking out "as a first priority under the Bankruptcy Act" and inserting "under section 507(a)(1) of title 11 of the United States Code" in lieu thereof. *Ante*, p. 2583.

(i) Section 7(a) of such Act (15 U.S.C. 78fff-1(a)) is amended by striking out "bankruptcy under the Bankruptcy Act has with respect to a bankrupt and the property of a bankrupt" and inserting "a case under title 11 of the United States Code" in lieu thereof. *Ante*, p. 260.

(j) Section 7(b) of such Act (15 U.S.C. 78fff-1(b)) is amended by striking out "in bankruptcy" and inserting "in a case under chapter 7 of title 11 of the United States Code, including, if the debtor is a commodity broker, as defined under section 101 of such title, the duties specified in subchapter IV of such chapter 7," in lieu thereof.

(k) Section 7(c) of such Act (15 U.S.C. 78fff-1(c)) is amended by striking out "by the Bankruptcy Act" and inserting "of a trustee in a case under chapter 7 of title 11 of the United States Code" in lieu thereof.

(l) Section 8(a)(1) of such Act (15 U.S.C. 78fff-2(a)(1)) is amended by striking out "the Bankruptcy Act" and inserting "title 11 of the United States Code" in lieu thereof. *Ante*, p. 261.

(m) Section 8(c)(3) of such Act (15 U.S.C. 78fff-2(c)(3)) is amended by striking out "the Bankruptcy Act" and inserting "title 11 of the United States Code" in lieu thereof.

(n) Section 10(e) of such Act (15 U.S.C. 78fff-4(e)) is amended— *Ante*, p. 266.

(1) by striking out "Jurisdiction of District Courts" and inserting "Jurisdiction of Bankruptcy Courts" in lieu thereof;

(2) by striking out "district courts of the United States" and inserting "courts of the United States having jurisdiction over cases under title 11 of the United States Code" in lieu thereof; and

(3) by striking out ", without regard to the citizenship of the parties or the amount in the controversy".

Ante, p. 271.

(o) Section 16 of such Act (15 U.S.C. 78lll) is amended—

(1) by striking out paragraph (1) thereof;

(2) by striking out paragraph (8)(A) thereof and inserting in lieu thereof the following:

"(A) if a petition under title 11 of the United States Code concerning the debtor was filed before such date, the term 'filing date' means the date on which such petition was filed;" and

(3) by redesignating paragraphs (2) through (15) thereof as paragraphs (1) through (14), respectively.

SEC. 309. Section 11(f) of the Public Utility Holding Company Act of 1935 (15 U.S.C. 79k(f)) is amended by striking out "bankruptcy" and inserting "case under title 11 of the United States Code" in lieu thereof.

SEC. 310. (a) Section 2(a)(8) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(8)) is amended by striking out "bankruptcy" and inserting "a case under title 11 of the Unitde States Code" in lieu thereof.

(b) Section 6(a)(2) of such Act (15 U.S.C. 80a-6(a)(2)) is amended by striking out "bankruptcy" and inserting "a case under title 11 of the United States Code" in lieu thereof.

(c) Section 25(d) of such Act (15 U.S.C. 80a-25(d)) is amended by striking out "the Bankruptcy Act of 1898, as amended" and inserting "title 11 of the United States Code" in lieu thereof.

SEC. 311. Section 202(a)(5) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(5)) is amended by striking out "bankruptcy" and inserting "a case under title 11 of the United States Code" in lieu thereof.

SEC. 312. (a) Section 303(b)(1)(B) of the Consumer Credit Protection Act (15 U.S.C. 1673(b)(1)(B)) is amended by striking out "court of bankruptcy under chapter XIII of the Bankruptcy Act" and inserting "court of the United States having jurisdiction over cases under chapter 13 of title 11 of the United States Code" in lieu thereof.

Ante, p. 2645.

(b) Section 605(a)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)(1)) is amended to read as follows:

"(1) cases under title 11 of the United States Code or under the Bankruptcy Act that, from the date of entry of the order for relief or the date of adjudication, as the case may be, antedate the report by more than 10 years.".

11 USC prec. 1.

SEC. 313. Section 201(e) of title 17 of the United States Code is amended by striking out the period at the end thereof and inserting ", except as provided under title 11." in lieu thereof.

18 USC 151 *et seq.*

SEC. 314. (a) Chapter 9 of title 18 of the United States Code is amended—

(1) by striking out "bankrupt" each place it appears and inserting "debtor" in lieu thereof;

(2) by striking out "bankruptcy proceeding" each place it appears and inserting "case under title 11" in lieu thereof;

(3) by striking out "bankruptcy law" each place it appears and inserting "provisions of title 11" in lieu thereof.

(b)(1) Title 18 of the United States Code is amended by striking out section 151 and inserting in lieu thereof the following:

18 USC 151.

"§ 151. Definition

"As used in this chapter, the term 'debtor' mean a debtor concerning whom a petition has been filed under title 11.".

(2) The item relating to section 151 in the table of sections for chapter 9 of title 18 of the United States Code is amended by striking out "Definitions" and inserting "Definition" in lieu thereof.

(c) Section 152 of title 18 of the United States Code is amended by—

(1) striking out "the receiver," each place it appears and inserting "a" in lieu thereof; and

(2) striking out "document affecting or relating to the property or affairs of a" and inserting in lieu thereof "recorded information, including books, documents, records, and papers, relating to the property or financial affairs of a".

(d)(1) Section 153 of title 18 of the United States Code is amended by striking out "receiver,".

(2) The heading for section 153 of title 18 of the United States Code is amended by striking out **", receiver".**

(3) The item relating to section 153 in the table of sections for chapter 9 of title 18 of the United States Code is amended by striking out ", receiver".

(e)(1) Section 154 of title 18 of the United States Code is amended—

(A) by striking out "Whoever knowingly acts as a referee in a case in which he is directly or indirectly interested; or"; and

(B) by striking out "referee, receiver,".

(2) The heading for section 154 of title 18 of the United States Code is amended by striking out **"referees and other".**

(3) The item relating to section 154 in the table of contents for chapter 9 of title 18 of the United States Code is amended by striking out "referees and other".

(f)(1) Section 155 of title 18 of the United States Code is amended—

(A) by striking out the semicolon at the end of the first paragraph thereof and all that follows down through "Shall" and inserting in lieu thereof ", shall";

(B) by inserting "knowingly and fraudulently" immediately after "supervision,"; and

(C) by striking out ", bankruptcy or reorganization proceeding" and inserting "or case under title 11" in lieu thereof.

(2) The heading for section 155 of title 18 of the United States Code is amended by striking out **"bankruptcy proceedings"** and inserting in lieu thereof **"cases under title 11 and receiverships".**

(3) The item relating to section 155 in the table of sections for chapter 9 of title 18 of the United States Code is amended by striking out "bankruptcy proceedings" and inserting "cases under title 11 and receiverships" in lieu thereof.

(g) Section 1961(1)(D) of title 18 of the United States Code is amended by striking out "bankruptcy fraud" and inserting "fraud connected with a case under title 11" in lieu thereof.

(h) Section 2516(1)(e) of title 18 of the United States Code is amended by striking out "bankruptcy fraud" and inserting "fraud connected with a case under title 11" in lieu thereof.

(i) Section 3057 of title 18 of the United States Code is amended—

(1) by striking out "referee" each place it appears and inserting "judge" in lieu thereof; and

(2) by striking out "violations of the bankruptcy laws" and inserting "violation under chapter 9 of this title" in lieu thereof.

(j)(1) Section 2256 of title 28 of the United States Code is redesignated as section 3244 of title 18 of the United States Code.

18 USC 3231 *et seq.*

(2) The table of sections of chapter 211 of title 18 of the United States Code is amended by adding at the end thereof the following:

"3244. Jurisdiction of proceedings relating to transferred offenders.".

(k) Section 3284 of title 18 of the United States Code is amended by striking out "bankrupt or other debtor" and inserting "debtor in a case under title 11" in lieu thereof.

(l) Section 6001(4) of title 18 of the United States Code is amended by inserting "a United States bankruptcy court established under chapter 6, title 28, United States Code," immediately after "title 28, United States Code,".

SEC. 315. Section 485(f) of the Tariff Act of 1930 (19 U.S.C. 1485 (f)) is amended by striking out "receiver or trustee in bankruptcy" and inserting "trustee in a case under title 11 of the United States Code" in lieu thereof.

SEC. 316. Section 302(l)(3) of the Automotive Products Trade Act of 1965 (19 U.S.C. 2022(l)(3)) is amended by striking out "bankruptcy" and inserting "cases under title 11 of the United States Code" in lieu thereof.

Repeal.

SEC. 317. Section 439A of part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087-3) is repealed.

SEC. 318. Section 239(d) of the Foreign Assistance Act of 1961 (22 U.S.C. 2199(d)) is amended by striking out "the priority" and inserting "any priority" in lieu thereof.

SEC. 319. Section 2(1) of the National Labor Relations Act (29 U.S.C. 152(1)) is amended by striking out "bankruptcy" and inserting "cases under title 11 of the United States Code" in lieu thereof.

SEC. 320. Section 3(d) of the Labor-Management Reporting and Disclosure Act of 1959 (29 U.S.C. 402(d)) is amended by striking out "bankruptcy" and inserting "cases under title 11 of the United States Code" in lieu thereof.

SEC. 321. (a) Section 4042 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1342) is amended in subsection (f)—

(1) by striking out "bankruptcy and of a court in a proceeding under chapter X of the Bankruptcy Act" and inserting "the United States having jurisdiction over cases under chapter 11 of title 11 of the United States Code" in lieu thereof; and

(2) by striking out "bankruptcy,".

(b) Section 4062(c)(2) of such Act (29 U.S.C. 1362(c)(2)) is amended—

(1) by striking out "the Bankruptcy Act" and inserting "title 11 of the United States Code" in lieu thereof; and

(2) by striking out "the subject of a proceeding under that Act" and inserting "a debtor in a case under chapter 7 of such title" in lieu thereof.

Ante, p. 2603.

(c) Section 4068(c)(2) of such Act (29 U.S.C. 1368(c)(2)) is amended—

(1) by striking out "the case of bankruptcy or" and inserting "a case under title 11 of the United States Code or in" in lieu thereof; and

(2) by striking out "the Bankruptcy Act" and inserting "title 11 of the United States Code" in lieu thereof.

SEC. 322. (a) Section 3466 of the Revised Statutes of the United States (31 U.S.C. 191) is amended by adding at the end the following: "The priority established under this section does not apply, however, in a case under title 11 of the United States Code."

(b) Section 3467 of the Revised Statutes of the United States (31 U.S.C. 192) is amended by striking out "Every" and inserting in lieu thereof the following: "Except with respect to a trustee acting in accordance with the provisions of title 11 of the United States Code, every".

(c) Section 3469 of the Revised Statutes of the United States (31 U.S.C. 194) is repealed. Repeal.

(d) Section 3473 of the Revised Statutes of the United States (31 U.S.C. 198) is repealed. Repeal.

(e) Section 3474 of the Revised Statutes of the United States (31 U.S.C. 199) is repealed. Repeal.

(f) The table of sections for title XXXVI of the Revised Statutes of the United States is amended by striking out the items relating to sections 3469, 3473, and 3474.

(g) Section 5256 of the Revised Statutes of the United States (45 U.S.C. 81) is amended by striking out "The laws of the United States providing for proceedings in bankruptcy shall not be held to apply to said corporation.".

SEC. 323. Section 1 of the Act entitled "An Act to provide for the alteration of certain bridges over navigable waters of the United States, for the apportionment of the cost of such alterations between the United States and the owners of such bridges, and for other purposes", approved June 21, 1940 (54 Stat. 497; 33 U.S.C. 511), is amended by striking out "bankruptcy" and inserting "a case under title 11 of the United States Code" in lieu thereof.

SEC. 324. Subsection (a) of section 17 of the Act of March 4, 1927 (44 Stat. 1434; 33 U.S.C. 917(a)), is repealed. Repeal.

SEC. 325. Section 213 of the Transportation Act, 1920 (40 U.S.C. 316), is amended by striking out "bankruptcy" and inserting "case under title 11 of the United States Code" in lieu thereof.

SEC. 326. Section 7 of the Act entitled "An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes", approved June 30, 1936 (49 Stat. 2039; 41 U.S.C. 41), is amended by striking out "bankruptcy" and inserting "cases under title 11 of the United States Code" in lieu thereof.

SEC. 327 Subsection (g) of section 733 of the Public Health Service Act (42 U.S.C. 294f) is repealed. Repeal.

SEC. 328. Subsection (b) of section 456 of the Social Security Act (42 U.S.C. 656(b)) is repealed. Repeal.

SEC. 329. Section 503 (42 U.S.C. 1473) of the Housing Act of 1949 is amended by striking out "This" and inserting "Except as provided in title 11 of the United States Code, this" in lieu thereof.

SEC. 330. Section 701(a) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(a)) is amended by striking out "bankruptcy" and inserting "cases under title 11, United States Code" in lieu thereof.

SEC. 331. Section 802(d) of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes", approved April 11, 1968 (82 Stat. 81; 42 U.S.C. 3602(d)), is amended by striking out "bankruptcy" and inserting "cases under title 11 of the United States Code" in lieu thereof.

SEC. 332. Section 17 of the Boulder Canyon Project Act (43 U.S.C. 617p) is amended by striking out "Claims" and inserting "Except as provided in title 11 of the United States Code, claims" in lieu thereof.

SEC. 333. Subsection (c) of section 3 of the Emergency Rail Services Act of 1970 (54 U.S.C. 662) is repealed. Repeal. 45 USC 662.

SEC. 334. Title IX of the Merchant Marine Act, 1936 (46 U.S.C. 1241 et seq.), is amended by adding at the end thereof the following:

46 USC 1247.

"SEC. 908. (a) Notwithstanding any other provision of law, in any proceeding in a bankruptcy, equity, or admiralty court of the United States in which a receiver or trustee may be appointed for any corporation engaged in the operation of one or more vessels of United States registry between the United States and any foreign country, upon which the United States holds mortgages, the court, upon finding that it will inure to the advantage of the estate and the parties in interest and that it will tend to further the purposes of this Act, may constitute and appoint the Secretary of Commerce as sole trustee or receiver, subject to the directions and orders of the court, and in any such proceeding the appointment of any person other than the Secretary as trustee or receiver shall become effective upon the ratification thereof by the Secretary without a hearing, unless the Secretary shall deem a hearing necessary. In no such proceeding shall the Secretary be constituted as trustee or receiver without the Secretary's express consent.

"(b) If the court, in any such proceeding, is unwilling to permit the trustee or receiver to operate such vessels in such service pending the termination of such proceeding, without financial aid from the Government, and the Secretary certifies to the court that the continued operation of such vessel is, in the opinion of the Secretary, essential to the foreign commerce of the United States and is reasonably calculated to carry out the purposes and policy of this Act, the court may permit the Secretary to operate the vessels subject to the orders of the court and upon terms decreed by the court sufficient to protect all the parties in interest, for the account of the trustee or receiver, directly or through a managing agent or operator employed by the Secretary, if the Secretary undertakes to pay all operating losses resulting from such operation, and comply with the terms imposed by the court, and such vessel shall be considered to be a vessel of the United States within the meaning of the Suits in Admiralty Act. The Secretary shall have no claim against the corporation, its estate, or its assets for the amount of such payments, but the Secretary may pay such sums for depreciation as it deems reasonable and such other sums as the court may deem just. The payment of such sums, and compliance with other terms duly imposed by the court, together with the payment of the operating losses, shall be in satisfaction of all claims against the Secretary on account of the operation of such vessels.".

46 USC 741 *et seq.*

SEC. 335. (a) Section 22(a) of the Organic Act of Guam (48 U.S.C. 1424(a)) is amended by inserting "and a bankruptcy court" immediately after "jurisdiction of a district court".

(b) Section 22(b) of such Act (48 U.S.C. 1424(b)) is amended by striking out "30 of the Bankruptcy Act of July 1, 1898, as amended (title 11, U.S.C., sec. 53), in bankruptcy cases;" and inserting "2075 of title 28, United States Code, in cases under title 11, United States Code," in lieu thereof.

SEC. 336. (a) Section 22 of the Revised Organic Act of the Virgin Islands (48 U.S.C. 1612) is amended by inserting "and a bankruptcy court" immediately after "jurisdiction of a district court".

(b) Section 25 of such Act (48 U.S.C. 1615) is amended by striking out "30 of the Bankruptcy Act in bankruptcy cases" and inserting "2075 of title 28, United States Code, in cases under title 11, United States Code" in lieu thereof.

SEC. 337. (a) Section 20c of the Interstate Commerce Act (49 U.S.C. 20c) is amended by striking out "bankruptcy" and inserting "a case under title 11 of the United States Code" in lieu thereof.

(b) Section 213(a)(3) of such Act (49 U.S.C. 313(a)(3)) is amended—

(1) by striking out "bankruptcy from" and inserting "a case under title 11 of the United States Code from" in lieu thereof; and

(2) by striking out "bankruptcy" and inserting "such case" in lieu thereof.

(c) Section 323 of such Act (49 U.S.C. 922a) is amended by striking out "bankruptcy" and inserting "a case under title 11 of the United States Code" in lieu thereof.

SEC. 338. (a) Section 8339 of title 5 of the United States Code is amended—

(1) by inserting in subsection (f), immediately after "subsections (a)-(e)", the following: "and (o)";

(2) by inserting in subsection (i), immediately after "subsections (a)-(h)", the following "and (o)";

(3) by inserting in subsections (j) and (k)(1), immediately after "subsections (a)-(i)" each time it appears, the following: "and (o)";

(4) by inserting in subsection (l), immediately after "subsections (a)-(k)," the following: "and (o)";

(5) by inserting in subsection (m), immediately after "subsections (a)-(e)", the following: "and (o)";

(6) by adding at the end thereof the following:

"(o) The annuity of an employee who is a bankruptcy judge is computed with respect to service after March 31, 1979 and before April 1, 1984, as a bankruptcy judge and his military service (not exceeding five years) creditable under section 8332 of this title by multiplying 2½ percent of his average annual pay by the years of that service.".

(b) The first sentence of section 8334(c) of title 5, United States Code, is amended by adding at the end thereof the following new schedule:

"Bankruptcy judge---	2½--------	August 1, 1920, to June 30, 1926.
	3½--------	July 3, 1926, to June 30, 1942.
	5----------	July 1, 1942, to June 30, 1948.
	6----------	July 1, 1948, to October 31, 1956.
	6½--------	November 1, 1956, to December 31, 1969.
	7----------	After January 1, 1970.".

(c) Section 8341 of title 5, United States Code is amended—

(1) by inserting in subsection (b)(1), immediately after "section 8339(a)-(i)", the following: "and (o)"; and

(2) by striking out of subsection (d) "section 8339(a)-(f) and (i)" and insert in lieu thereof the following: "section 8339 (a)-(f), (i), and (o)".

(d) Section 8344(a)(A) of title 5, United States Code, is amended by striking out "and (i)" and inserting in lieu thereof "(i), and (o)".

(e) Section 8331 of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (20);

(2) by striking out the period at the end of paragraph (21) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(22) 'bankruptcy judge' means an individual appointed under section 34 of the Bankruptcy Act (11 U.S.C. 62) or under section 404(d) of the Act adding this paragraph— "Bankruptcy judge".

"(A) who is serving as a United States bankruptcy judge on March 31, 1984, and that has agreed by filing a notice of such agreement with the President, the Senate, and the Direc-

tor of the Administrative Office of the United States Courts, to accept an appointment as a judge of a United States bankruptcy court established under section 201 of this Act but that is not appointed by the President as a judge of such court; or

Ante, p. 2657.

"(B) whose service as a United States bankruptcy judge during the transition period is terminated by reason of death or disability.".

TITLE IV—TRANSITION

REPEALER

Repeals.
11 USC prec. 1 note.

SEC. 401. (a) The Bankruptcy Act is repealed.

(b) Section 3 of the Act entitled "An Act to amend an Act entitled 'An Act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and Acts amendatory thereof and supplementary thereto", approved March 3, 1933 (47 Stat. 1482; 11 U.S.C. 101a), is repealed.

(c) Sections 3, 6, and 7 of the Act entitled "An Act to amend an Act entitled 'An Act to establish a uniform system of bankruptcy throughout the United States, approved July 1, 1898, and Acts amendatory thereof and supplementary thereto", approved June 7, 1934 (48 Stat. 923, 924; 11 U.S.C. 76a, 203a, 205a), are repealed.

(d) The sentence beginning "Said section 74" in section 2 of the Act entitled "An Act to amend an Act entitled 'An Act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and Acts amendatory thereof and supplementary thereto", approved June 7, 1934 (48 Stat. 924; 11 U.S.C. 103a), is repealed.

11 USC 202a.

(e) Subsection (b) of section 4 of the Act entitled "An Act to amend an Act entitled 'An Act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and Acts amendatory thereof and supplementary thereto", approved June 7, 1934 (48 Stat. 924; 11 U.S.C. 103a), is repealed.

(f) Section 2 of the Act entitled "An Act to amend the Act entitled 'An Act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, as amended and supplemented", approved June 5, 1936 (49 Stat. 1476; 11 U.S.C. 93a), is repealed.

(g) Section 3 of the Act entitled "An Act to amend the Interstate Commerce Act, as amended, and for other purposes", approved April 9, 1948 (62 Stat. 167; 11 U.S.C. 208), is repealed.

EFFECTIVE DATES

11 USC prec. 101 note.

SEC. 402. (a) Except as otherwise provided in this title, this Act shall take effect on October 1, 1979.

Ante, p. 2657.

(b) Except as provided in subsections (c) and (d) of this section, the amendments made by title II of this Act shall take effect on April 1, 1984.

Ante, pp. 2661, 2662.

(c) The amendments made by sections 210, 214, 219, 220, 222, 224, 225, 228, 229, 235, 244, 245, 246, 249, and 251 of this Act shall take effect on October 1, 1979.

Ante, pp. 2661, 2662.

(d) The amendments made by sections 217, 218, 230, 247, 302, 314(j), 317, 327, 328, 338, and 411 of this Act shall take effect on the date of enactment of this Act.

(e) The amendments made by sections 335(a) and 336(a) of this Act shall take effect on April 1, 1984.

SAVINGS PROVISIONS

SEC. 403. (a) A case commenced under the Bankruptcy Act, and all matters and proceedings in or relating to any such case, shall be conducted and determined under such Act as if this Act had not been enacted, and the substantive rights of parties in connection with any such bankruptcy case, matter, or proceeding shall continue to be governed by the law applicable to such case, matter, or proceeding as if the Act had not been enacted. 11 USC prec. 101 note.

(b) Notwithstanding subsection (a) of this section, sections 1165, 1167, 1168, 1169, and 1171 of title 11 of the United States Code, as enacted by section 101 of this Act, apply to cases pending under section 77 of the Bankruptcy Act (11 U.S.C. 205) on the date of enactment of this Act in which the trustee has not filed a plan of reorganization. *Ante*, pp. 2641-2643. *Ante*, p. 2549.

(c) The repeal made by section 401(a) of this Act does not affect any right of a referee in bankruptcy, United States bankruptcy judge, or survivor of a referee in bankruptcy or United States bankruptcy judge to receive any annuity or other payment under the civil service retirement laws.

(d) The amendments made by section 314 of this Act do not affect the application of chapter 9, chapter 96, section 2516, section 3057, or section 3284 of title 18 of the United States Code to any act of any person— 18 USC 151 *et seq.*, 1961 *et seq.*

(1) committed before October 1, 1979; or

(2) committed after October 1, 1979, in connection with a case commenced before such date.

(e) Notwithstanding subsection (a) of this section, a fee may not be charged under section 40c(2)(b) of the Bankruptcy Act in a case in which the plan is confirmed after September 30, 1978, to the extent that such fee exceeds $100,000. 11 USC 68.

COURTS DURING TRANSITION

SEC. 404. (a) The courts of bankruptcy, as defined under section 1(10) of the Bankruptcy Act, created under section 2a of the Bankruptcy Act, and existing on September 30, 1979, shall continue through March 31, 1984, to be the courts of bankruptcy for the purposes of this Act and the amendments made by this Act. Each of the courts of bankruptcy so continued shall constitute a separate department of the district court that is such court of bankruptcy under the Bankruptcy Act. 28 USC prec. 151 note. 11 USC 1. 11 USC 11.

(b) The term of a referee in bankruptcy who is serving on the date of enactment of this Act is extended to and expires on March 31, 1984 or when his successor takes office. During the period commencing on October 1, 1979, and ending on March 31, 1984 (hereinafter in this title referred to as "the transition period"), unless such referee is found to be not qualified by the Chief Judge of the Circuit Court after consultation with a merit screening committee established as provided in subsection (c) of this section, such a referee in bankruptcy upon the expiration of his appointed term as referee shall have the title of United States bankruptcy judge, and shall serve in the court of bankruptcy continued under subsection (a) of this section that appointed such United States bankruptcy judge, in the manner prescribed by this title. Section 8335(a) of title 5 of the United States Code shall not apply in respect of United States bankruptcy judges during the transition period. Referee.

State merit screening committee, establishment.

(c) There shall be established for each State a merit screening committee composed of the president or the designee of the president of the State bar association, the dean or the designee of the dean of a law school located within the State, and the president or designee of the president of a local bar association for the area wherein a referee in bankruptcy maintains his official headquarters within the State. Each such merit screening committee shall be organized and summoned to meetings by the circuit executive for the circuit embracing the State, who shall serve as secretary of each such screening committee established within the circuit. Before the expiration of the term of a referee in bankruptcy in office on the date of enactment of this Act, or if his successor has not been appointed before the date of enactment of this Act, a merit screening committee shall be organized by the circuit executive to pass on the qualifications of such referee for the purpose of determining whether the term of such referee shall be extended as provided under subsection (b) of this section.

(d) Except as otherwise provided in this section or in section 407 of this Act, matters relating to the office of United States bankruptcy judges and to United States bankruptcy judges shall continue to be governed during the transition period by the rules set forth in sections 34, 35, 36, 40a, 40b, 40d, 41, and 43 of the Bankruptcy Act as such Act existed on September 30, 1979. A court of bankruptcy may not appoint an individual under such section 34 if the merit screening committee established under subsection (c) of this section for the district of such court finds such individual to be not qualified.

(e) During the transition period, the United States bankruptcy judges of each district may appoint a clerk, necessary other employees, including law clerks and secretaries, and court reporters the same as the judges of a United States bankruptcy court established under section 201 of this Act may appoint such officers and employees under the amendment made by section 233 of this Act. Such clerk, other employees, and reporters shall have the same rights and powers, shall perform the same functions and duties and shall be subject to the same provisions of title 28 of the United States Code, as a clerk, other employee, or reporter, as the case may be, appointed under the amendment made by section 233 of this Act by a United States bankruptcy court established under section 201 of this Act. The United States bankruptcy judges of each district shall have the same rights and powers as a United States bankruptcy court established under section 201 of this Act with respect to such clerk, other employees, and reporters.

Ante, p. 2657.
Ante, p. 2665.

(f) During the transition period, the provisions of sections 455, 456, 569(a), 571(b), 620(b)(3), and 957(a) of title 28 of the United States Code shall apply to United States bankruptcy judges and to any court officers or employees appointed or employed under subsection (e) of this section the same as such sections apply to the bankruptcy judges, and to any court officers or employees, of a United States bankruptcy court established under section 201 of this Act. During the transition period, the position of United States bankruptcy judge shall be deemed to be a position within the purview of subparagraph (C) of section 225(f) of the Federal Salary Act of 1967 (2 U.S.C. 356(C)).

(g) During the transition period, the Judicial Conference of the United States may from time to time in the light of the recommendations of the judicial councils of each circuit, made after advising with the district judges and the United States bankruptcy judges of the respective circuit, and of the Director of the Administrative Office of the United States Courts, increase the number of

full-time United States bankruptcy judges, or provide that a part-time United States bankruptcy judge for a particular district may serve in the capacity and receive the salary of a full-time United States bankruptcy judge, as the expeditious transaction of the business of the several courts of bankruptcy may require.

JURISDICTION AND PROCEDURE DURING TRANSITION

SEC. 405. (a)(1) All cases commenced under title 11 of the United States Code during the transition period shall be referred to the United States bankruptcy judges. The United States bankruptcy judges may exercise in such cases the jurisdiction and powers conferred by subsection (b) of this section on the courts of bankruptcy continued by section 404(a) of this Act, and all proceedings in such cases shall be before the United States bankruptcy judges, except— 28 USC prec. 1471 note.

(A) a proceeding to enjoin a court;

(B) a proceeding to punish a criminal contempt—

(i) not committed in the bankruptcy judge's actual presence; or

(ii) warranting a punishment of imprisonment; or

(C) an appeal from a judgment, order, decree, or decision of a United States bankruptcy judge.

(2) Except as provided in subsection (c) of this section, any proceeding in a court of bankruptcy in a case under title 11 of the United States Code that is not before the United States bankruptcy judge shall be before the judge of the court of bankruptcy for the district in which such case is pending.

(b) During the transition period, the amendments made by sections 241, 243, 250, and 252 of this Act shall apply to the courts of bankruptcy continued by section 404(a) of this Act the same as such amendments apply to the United States bankruptcy courts established under section 201 of this Act. *Ante*, p. 2657.

(c)(1) During the transition period, an appeal from a judgment, order, or decree of a United States bankruptcy judge shall be—

(A) if the circuit council of the circuit in which the bankruptcy judge sits so orders for the district in which the bankruptcy judge sits, then to a panel of three bankruptcy judges appointed in the manner prescribed by section 160 of title 28 of the United States Code, as added by section 201 of this Act; *Ante*, p. 2659.

(B) if the parties to the appeal agree to a direct appeal to the court of appeals for such circuit, then to such court of appeals; or

(C) to the district court for the district in which the bankruptcy judge sits.

(2) During the transition period, the jurisdiction of the district courts, the courts of appeals, and panels of bankruptcy judges to hear appeals shall be the same as the jurisdiction of such courts and panels granted under the amendments made by sections 236, 237, 238, and 241 of this Act to hear appeals from the judgments, orders, and decrees of the bankruptcy courts established under section 201 of this Act.

(d) The rules prescribed under section 2075 of title 28 of the United States Code and in effect on September 30, 1979, shall apply to cases under title 11, to the extent not inconsistent with the amendments made by this Act, or with this Act, until such rules are repealed or superseded by rules prescribed and effective under such section, as amended by section 248 of this Act.

TRANSITION STUDY

28 USC prec. 151 note.

Sec. 406. (a)(1) During the transition period, the Director of the Administrative Office of the United States Courts shall make continuing studies and surveys of conditions in the judicial districts to determine—

(A) the number of bankruptcy judges of the United States bankruptcy courts established under section 201 of this Act that will be needed after March 31, 1984, to provide for the expeditious and effective administration of justice; and

Ante, p. 2657.

(B) the regular places of offices and the places at which courts shall be held.

(2) In the course of any survey, the Director shall take into account local conditions in each judicial district, including the areas and the population to be served, the transportation and communications facilities available, the average number and types of bankruptcy cases filed and closed during the transition period, the number of cases pending and judicial matters heard, and any other material factors. The Director shall give consideration to suggestions from any interested parties.

Report.

(b) Upon completion of the studies and surveys required by subsection (a) of this section, the Director shall report to the judicial councils of the circuits and the Judicial Conference of the United States his recommendations concerning the number of bankruptcy judges, their principal places of offices, and the places where court shall be held. The judicial councils shall advise the Conference, stating their recommendations and the reasons therefor. The Conference shall recommend to the Congress and to the President, before January 3, 1983, in light of the recommendations of the Director and the judicial councils, the number of bankruptcy judges of the United States bankruptcy courts established under section 201 of this Act that will be needed after March 31, 1984, and the locations at which they shall serve.

Recommendations to Congress and President.

JUDICIAL ADMINISTRATION

28 USC prec. 151 note.

Sec. 407. (a) The Director of the Administrative Office of the United States Courts shall appoint a committee of not fewer than seven United States bankruptcy judges to advise the Director with respect to matters that arise during the transition period or that are relevant to the purposes of the transition period.

(b) During the transition period, the Congress strongly recommends at least one-third of the members of any committee of the Judicial Conference of the United States that is concerned with the administration of the bankruptcy system shall be chosen from among the United States bankruptcy judges, and at least one member of any committee of the Judicial Conference that is concerned with court administration, supporting personnel, or bankruptcy court rules shall be chosen from among the United States bankruptcy judges.

(c) During the transition period, the chief judge of each circuit shall summon at least one bankruptcy judge from each judicial district within the circuit to the judicial conference of such circuit called and held under section 332 of title 28 of the United States Code.

UNITED STATES TRUSTEE PILOT

Studies and surveys. Report to Congress, President, and the Judicial Conference of the United States. 28 USC prec. 581 note.

Sec. 408. (a) The Attorney General shall conduct such studies and surveys as necessary to evaluate the needs, feasibility, and effectiveness of the United States trustee system, and shall report the result of such

studies and surveys to the Congress, the President, and the Judicial Conference of the United States, beginning on or before January 3, 1980, and annually thereafter during the transition period.

(b) Not later than January 3, 1984, the Attorney General shall report to the Congress, to the President, and the Judicial Conference of the United States, as to the feasibility, projected annual cost and effectiveness of the United States trustee system, as determined on the basis of the studies and surveys respecting the operation of the United States trustee system in the districts, together with recommendations as to the desirability and method of proceeding with implementation of the United States trustee system in all judicial districts of the United States. Report to Congress, President, and the Judicial Conference of the United States.

(c) Chapter 15 of title 11 of the United States Code and chapter 39 of title 28 of the United States Code are repealed, and all references to the United States trustee contained in title 28 of the United States Code are deleted, as of April 1, 1984. The service of any United States trustee, of any assistant United States trustee, and of any employee employed or appointed under the authority of such chapter 39 is terminated on such date. Repeal. 11 USC 1501 *et seq.* *Ante*, p. 2662.

TRANSFER TO NEW COURT SYSTEM

SEC. 409. (a) On April 1, 1984, there shall be transferred to the appropriate United States bankruptcy court established under section 201 of this Act— 28 USC prec. 1471 note. *Ante*, p. 2657.

(1) cases, and matters and proceedings in cases, under the Bankruptcy Act that are pending, at the end of September 30, 1983, in the courts of bankruptcy continued under section 404(a) of this Act, other than cases, and matters and proceedings in cases, under— 11 USC prec. 1 note.

(A) section 77 or chapter IX of the Bankruptcy Act; or 11 USC 205, 401 *et seq.*

(B) chapter X of the Bankruptcy Act in which a general reference under section 117 of the Bankruptcy Act is not in effect; and 11 USC 501 *et seq.*

(2) cases, and proceedings arising under or related to cases, under title 11 of the United States Code that are pending, at the end of March 31, 1984, in the courts of bankruptcy continued under section 404(a) of this Act. 11 USC 517.

(b) Civil actions pending on March 31, 1984, over which a United States bankrupcty court established under section 201 of this Act has jurisdiction on April 1, 1984, shall not abate, but continuation of any such action that has not been finally determined before April 1, 1985, may be enjoined, and any claims or causes of actions not resolved may be removed to a bankruptcy court under chapter 90 of title 28 of the United States Code.

(c) All Government publications, law books, recording equipment, and other property furnished to bankruptcy judges' offices as of March 31, 1984, and of particular use to the offices of the judges of the United States bankruptcy courts, shall be transferred to the United States bankruptcy courts under the supervision of the Director of the Administrative Office of the United States Courts.

ADDITIONAL RULEMAKING POWER

SEC. 410. The Supreme Court may issue such additional rules of procedure, consistent with Acts of Congress, as may be necessary for the orderly transfer of functions and records and the orderly transition to the new bankruptcy court system created by this Act. 28 USC prec. 1471 note.

SEC. 411. Section 40a of the Bankruptcy Act (11 U.S.C. 68(a)) is amended by striking out "$37,800" and inserting "$50,000" in lieu thereof, and by striking out "$18,900" and inserting "$25,000" in lieu thereof.

Approved November 6, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-595 (Comm. on the Judiciary).
SENATE REPORTS: No. 95-989 accompanying S. 2266 (Comm. on the Judiciary) and No. 95-1106 accompanying S. 2266. (Comm. on Finance).
CONGRESSIONAL RECORD:
Vol. 123 (1977): Oct. 27, 28, considered in House.
Vol. 124 (1978): Feb. 1, considered and passed House.
Sept. 7, considered and passed Senate, amended, in lieu of S. 2266.
Sept. 22, passage vitiated; amendment in the nature of a substitute agreed to by Senate.
Sept. 28, House concurred in Senate amendment with an amendment.
Oct. 5, Senate concurred in House amendment with an amendment.
Oct. 6, House concurred in Senate amendment.

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